

# Giving in evidence

Fundraising from philanthropy in  
European universities



**EUROPEAN COMMISSION**

Directorate-General for Research and Innovation  
Directorate C – Research and Innovation  
Unit C.3 – Financial Engineering

Contact: Steve Rogers

*European Commission*  
Office SDME 11/040  
B-1049 Brussels

Tel. +32 2 29 68016  
Fax +32 2 29 99079  
E-mail: [steve.rogers@ec.europa.eu](mailto:steve.rogers@ec.europa.eu)

# **Giving in evidence**

## Fundraising from philanthropy in European universities

Beth Breeze  
Iain Wilkinson  
University of Kent, United Kingdom

Barbara Gouwenberg  
Theo Schuyt  
VU University Amsterdam, Netherlands

***EUROPE DIRECT is a service to help you find answers  
to your questions about the European Union***

Freephone number (\*):

**00 800 6 7 8 9 10 11**

(\* Certain mobile telephone operators do not allow access to 00 800 numbers  
or these calls may be billed

## LEGAL NOTICE

Neither the European Commission nor any person acting on behalf of the Commission is responsible for the use which might be made of the following information.

The views expressed in this publication are the sole responsibility of the author and do not necessarily reflect the views of the European Commission.

More information on the European Union is available on the Internet (<http://europa.eu>).

Cataloguing data can be found at the end of this publication.

Luxembourg: Publications Office of the European Union, 2011

ISBN 978-92-79-18784-1

doi 10.2777/4143

© European Union, 2011

Reproduction is authorised provided the source is acknowledged.

*Printed in Belgium*

PRINTED ON ELEMENTAL CHLORINE-FREE BLEACHED PAPER (ECF)

<b>Page</b>	<b>Contents</b>
4	Executive summary
21	Chapter 1: Contexts and Issues
33	Chapter 2: Findings: The distribution of fundraising efforts and outcomes
86	Chapter 3: Success in European universities' fundraising activities
117	Summary and Conclusions
132	Recommendations: What needs to happen next?
138	Appendix A: Philanthropy in European Welfare States
141	Appendix B: Methodology
152	Appendix C: Questionnaire
173	Appendix D: Welfare State regimes typology and geographical region
176	Appendix E: Answers to question on fund-raising strategy
179	Appendix F: References

# Executive Summary

## Synopsis

This report is a continuation of the themes and ideas explored in two previous European Commission reports, 'Giving More for Research' (2006) and 'Engaging Philanthropy for University Research' (2008). It is the first report to provide data gathered from universities across the European Union regarding the efforts made, and successes achieved, in fundraising from philanthropy for research. An additional output of the research is a new database of contacts responsible for fundraising in almost 500 European universities.

We find that philanthropic fundraising is not, on the whole, taken seriously in European universities. Only a very small number of institutions are raising significant sums of money from this source, and even fewer are accessing philanthropic funding to pay for research and research-related activities. Whilst this may be disappointing for those hoping that private donors can represent an important source of funding for university-based research, it may also be interpreted in a more positive light as indicative of potentially significant untapped potential.

There are many different types of university, which affects their likelihood of realising philanthropic income as a result of investment in fundraising activities. Our data demonstrates that success in fundraising is related to institutional privilege (what kind of a university it is, in terms of wealth, reputation and pre-existing relationships with different types of donors), as well as to the efforts made by universities (what the university does, in terms of fundraising activities), and environmental factors (where the university is located, in terms of the geo-political context). For this reason, we suggest that the concept of 'accumulative advantage' should be understood as an important factor, alongside 'efforts' and 'context' which have so far featured more prominently as key levers in the policy-making literature.

## **The Background**

The higher education sector in Europe is undergoing rapid change. Universities are struggling to meet increased demand for mass higher education and to adapt to transformations in the global knowledge economy, at the same time as they are dealing with the repercussions of the recession of 2008-10. Inevitable cuts in public expenditure mean that European universities are coming under increased pressure to take on more responsibility for their long-term financial sustainability. In an effort to diversify their sources of funding, they are looking to philanthropic sources as a means to boost their general income as well as their investment in research.

The purpose of this report is to examine the current status of fundraising from philanthropy for research in European universities, and to explore the extent of any untapped philanthropic potential. It also seeks to identify the variables behind fundraising success that might be emulated by other universities across the European Union. This aim reflects the European Commission's role as a catalyst to enable the sharing of best practice across Member States.

This study to assess fundraising from philanthropy for research funding in European Universities was commissioned by the Research Directorate-General of the European Commission. It follows on from, and expands upon, the work already undertaken and published in two previous reports, written by Expert Groups:

*Giving More for Research in Europe: Strengthening the Role of Philanthropy in the Financing of Research* (2006),

*Engaging Philanthropy for University Research. Fundraising by university from philanthropic sources: developing partnerships between universities and private donors – Report by an Expert Group* (2008).

This report also complements work undertaken by the European Universities Association (EUA) and the European Universities Diversifying Income Streams (EUDIS).

## **The Research**

The findings are based on a survey of 164 universities, located in 24 of the 27 members of the European Union (see table on p.36 for a description of the sample by Member States). The research population consists of Higher Education Institutions (HEIs) that award degrees and conduct research. The response rate of 15.7% is lower than we hoped for, but as this report represents the first serious attempt to engage with the task of gathering data on this important topic from universities across the European Union, we believe it still makes a useful contribution. Indeed, the difficulties that we encountered in the methodology (as fully described in appendix B), can in themselves be viewed as a contribution to understanding in this field. For example, the challenge we faced in identifying an appropriate contact person at almost half of the relevant HEIs may reveal something significant about the lack of any fundraising activity taking place in those institutions. Where contacts were identified, the subsequent challenge in persuading them to complete the survey may also be interpreted as indicative of the importance with which this area of activity is viewed within many European universities.



## **The Findings**

The findings of our survey are presented in five sections, the key points of which are:

### **1. Historical Context**

Around half of European universities have some pre-existing links with philanthropic donors and most (83%) of those that make efforts to raise funds from philanthropy for research have such links. 38% of our respondents have a historic endowment which continues to generate income for present day spending. We find that the presence or absence of these factors (pre-existing links with donors and historic endowments) are strongly correlated with contemporary fundraising success.

### **2. Contemporary Context**

European universities are more likely to perceive the impact of contextual factors on their fundraising activities as negative or neutral, rather than positive. Of four external contextual factors - (1) general macro-economic conditions, (2) the national fiscal, legal and regulatory framework, (3) cultural attitudes towards philanthropy, and (4) the existence of government schemes to promote philanthropy - only the latter (government schemes) was viewed as making a particularly positive contribution to fundraising success, and only the penultimate factor (cultural attitudes) had any statistical relationship with subjective assessments of fundraising success.

### **3. Efforts and Success in Fundraising for General Purposes**

Most universities (80%) have made efforts to access philanthropic funding and 83% have experienced some success in raising funds for general university expenditure. Donations from private corporations are the most prevalent (74% of universities are in receipt of donations from this source) and contributions from alumni are the least frequent (occurring in 54% of cases). However, universities view charitable trusts and foundations as their most important type of donor, which probably reflects the larger size of funds available from this source. Universities rate their own success in dealing with institutional funders (charitable trusts and foundations; and private corporations) more highly than they rate their success in dealing with individual funders (alumni; and wealthy individuals). Despite the widespread pursuit and receipt of philanthropic funds for general purposes, the frequency with which all types of contributions occur is reported as more likely to be 'sometimes' than 'often', raising questions about the efficiency of investing in all types of fundraising activities.

#### **4. Efforts and Success in Fundraising for Research**

Most universities (77%) have used philanthropic contributions to fund research in the past five years (since January 2005), and almost all (94%) intend to seek philanthropic funding for research-related activities in the future. However on the whole, the amounts raised for this purpose are relatively low. Only six HEIs report raising more than 10 million Euros for research on an annual basis, almost half (44%) report raising less than 1 million Euros per annum and a third of respondents were not able - or willing - to reveal how much they succeed in attracting. Levels of success may be related to levels of effort, as less than half of respondents report making constant or frequent efforts to raise funds for research, with most reporting it is an 'occasional' aim of their fundraising activities. And whilst institutions are likely to approach charitable trusts and foundations to fund this activity, less than half ask wealthy individuals or their alumni to support research costs. Overall satisfaction with success at raising funds for research is slightly lower than satisfaction with raising funds for general expenditure. But as with fundraising for general purposes, HEIs report higher levels of satisfaction regarding their dealings with institutional than individual funders.

#### **5. The Impact of Philanthropic Funding**

The penultimate set of findings explores the ways in which philanthropic funds are used to support research, the factors that are deemed to affect success and failure in fundraising activities and views on the positive and negative impacts of this source of funding.

Whilst philanthropic funds for research are being utilised for a wide variety of activities, we find that universities are most likely to use these funds to pay for new research projects, as is the case for over two-thirds of respondents (70%). Philanthropic funds are also frequently used to support PhD programmes and scholarships (in 64% of HEIs) and to enable specific individuals to undertake research (in 62% of cases). In most cases it is reported that the HEI and the donor collaboratively agree upon the allocation of philanthropic funds, although a third (31%) of universities claim they retain sole control, whilst a minority (5%) cede control to the donor.

According to our respondents, the key factors that positively impact upon the success of fundraising activities are all internal to their institutions:

- Their institution's pre-existing relationships with philanthropic donors
- The commitment of senior academic leaders to fundraising activities
- The commitment of other research staff to fundraising activities

Whereas the factors that are viewed as having the most negative bearing upon fundraising activities are all external to their institutions:

- The general attitude towards philanthropy within their nation state or region
- General macro-economic conditions
- The general fiscal, legal and regulatory framework in their country or region

However, we find no clear and consistent relationship between most environmental factors and successful outcomes in fundraising success, with the exception of cultural attitudes towards philanthropy, which do appear to have some significant relationship to both the degree of efforts made within universities, and the degree of satisfaction with fundraising outcomes.

Our respondents identify both positive and negative consequences of the impact of receiving funding from philanthropic sources. On a positive note, 80% report that philanthropic funding helps their institution to attract new researchers and allows existing staff to develop their research careers, whilst 78% claim it results in the opportunity to do more or better quality research. Almost three-quarters (73%) believe that the receipt of philanthropic funds enhances the image and standing of their university. Whilst fewer negative impacts were noted, 21% of respondents believe that problems arise due to the discontinuities associated with this type of income, and 20% felt that success in fundraising would gradually result in the substitution of public funding.

## **6. The organisation of fundraising activities.**

The final section of findings reveals the variety of ways in which European universities organise their fundraising activities.

The formalisation of fundraising activities was found to be surprisingly low: only just over half of institutions (51%) have a formal policy on fundraising, a third (32%) have no systems in place to measure and report on fundraising activities and only around half

(51%) use a database to record and manage their interactions with donors. There is also some evidence that many universities are not meeting accepted standards of best practice, as conceived within the wider fundraising profession. For example only just over half (56%) always or frequently keep their donors informed about the outcomes and impact of their contribution. However, good practice in terms of acknowledgment is widespread, with 90% offering some form of thanks and recognition to donors.

The task of raising funds from philanthropic sources can be allocated to various people and departments within universities, and occasionally even delegated to an external body, but most often the responsibility for raising funds rests with individual research staff (in 59% of cases), a development office (57%) or an alumni office (39%); clearly these responsibilities are being pursued simultaneously by multiple individuals and departments within the same institution. The managers and governors of universities are felt to be slightly more committed to fundraising than the academic staff, but the adequacy of resourcing of fundraising activities is rated, on average, as unsatisfactory.

The Findings chapter ends with a review of responses from those universities that have either raised no funds at all from philanthropic sources (as is the case for eight respondents), or have so far not allocated any such funding for research (as is the case for eleven respondents). Most of those who have not received any philanthropic funding do not intend to pursue this source of income, a situation they are most likely to attribute to a lack of internal commitment and investment in this activity. But of those who have yet to allocate philanthropic funds for research purposes, most would like to do so but have simply not yet been successful in this goal.

## **Success in European universities' fundraising activities**

In chapter 3 we review the factors that relate to success in fundraising from philanthropy in European universities. It is important to note that 'success' is a complex concept, which can be assessed subjectively (by asking institutions to rate their satisfaction with outcomes) as well as being measured objectively (with reference to the absolute value of funds raised). Objective measures of success are an attractive but potentially misleading measure, and certainly cannot provide a comprehensive account. For example, the smallest European universities are unlikely to be in receipt of the highest amounts of philanthropic funds, even though the amounts they raise may make a significant contribution to their overall income. Success is also relative to the stage of development of the philanthropic culture in any given country. For example, 'success' in the UK is probably different from 'success' in a country such as the Netherlands where universities have only recently made a start in terms of raising funds from philanthropic sources. Universities which have only just begun to fundraise may evaluate themselves as successful as a result of receiving a relatively small contribution because they perceive it to be the start of a potentially fruitful and long-term relationship with donors.

This report therefore explores both types of success: 'relative success' in terms of reported levels of satisfaction with fundraising efforts and outcomes, and 'absolute success', in terms of the actual amounts of money that institutions raise from philanthropic sources for research. The discussion of both types of success are divided into five sub-sections relating to different aspects that potentially have an impact on fundraising outcomes, as follows:

1. Type of philanthropic donor (alumni; wealthy individuals; charitable trusts and foundations; private corporations)
2. The efforts made by universities (e.g. frequency of trying to raise funds)
3. The internal structures and strategies in place within universities (e.g. the commitment of management; the degree of investment in fundraising)
4. The presence or absence of accumulative advantage (e.g. pre-existing links with donors)
5. The external factors within the region or nation state in which universities are located (e.g. macro-economic conditions; cultural attitudes towards philanthropy).

## **Subjective perceptions of success in raising funds from philanthropic sources**

The first success variable is a subjective measure based on respondents' own assessment of the success of their fundraising efforts.

We find that universities describing themselves as successful have a higher likelihood of being in receipt of contributions from all types of philanthropic donor (alumni, wealthy individuals, trusts and foundations and private corporations). It is important to note that every university classified as 'successful' in subjective terms is in receipt of donations from charitable trusts and foundations, which indicates that this is a crucial source of philanthropic income.

We find a strong relationship between making an effort to raise funds and subsequent success in the receipt of philanthropic income. Despite the existence of this strong relationship, we find that there are exceptions and that it is possible to achieve some success without making any significant efforts, as some institutions have to try harder than others to raise funds.

We also find a relationship between the frequency with which efforts are made to raise funds from the various philanthropic sources and respondents' assessments of how well their institution invests in fundraising activities.

Six aspects of an institution's internal structure and strategy appear to have some relationship to fundraising outcomes:

1. The commitment of the management and governance
2. The commitment of the academic staff
3. The degree of financial and human investment in fundraising activities
4. Rewarding staff for success in attracting philanthropic donations
5. The production and use of materials for fundraising purposes, such as a website, leaflets and brochures.
6. The use of a database to maintain and update records on interactions with donors

Four variables relating to internal structures and strategies were found to have no significant relationship to fundraising outcomes:

1. Having a formal policy on fundraising activities
2. Using differentiated strategies for approaching different types of donors

3. Employing specialist fundraising staff to work with different types of donors
4. Offering recognition to donors

However, variable experiences of success were found to exist in both the presence and absence of all types of internal structures and strategies.

Pre-existing links with donors and receipt of philanthropic income from endowments were both found to have a significant relationship with present-day success in fundraising activities. Whilst some degree of contemporary fundraising success was found to be possible in the absence of a historic endowment, every single university categorised as 'successful' in terms of raising funds had pre-existing links with donors, indicating that this factor is a necessary condition for fundraising success.

We find that both the geographical location and the welfare state regime within which institutions are based have some impact on fundraising outcomes (see appendix D for further information on the geographical and welfare state regime typologies). Most of the successful fundraising universities are located in Northern-Western Europe and/or in welfare states characterised as 'liberal'. Yet it should also be noted that all types of geographical regions and all types of welfare state regimes contain HEIs demonstrating different degrees of success, indicating that external factors are influential, but not decisive in affecting a university's prospects for raising funds from philanthropic sources.

Finally, we find that the perception of cultural attitudes towards philanthropy in an institution's region or nation state is the only external factor that has a positive significant relationship with fundraising outcomes, although this only applies to subjective rather than objective success measures. Respondents' perceptions of macro-economic factors, and the fiscal, legal and regulatory regime within which they exist are not reported as having any significant bearing on fundraising outcomes. However, it is important to note that contextual impact is a complicated concept and not easy to measure in an online survey. We therefore recommend caution in interpreting this finding and advise further research to assess the true impact of external factors.

## **Objective measures of success in raising funds from philanthropy for research**

The second success variable focuses on the absolute amounts raised from philanthropic sources for research and research-related activities. The most successful institutions in this regard are most likely to be located in Northern or North-Western Europe, and to be in 'social democratic' or 'liberal' welfare state regimes.

We find that absolute success in terms of raising funds for research is related to having good relations with all types of philanthropic donor, and in particular is related to being in receipt of donations from charitable trusts and foundations. However, high degrees of success in raising funds for research are not related to the receipt of income from alumni, perhaps indicating that this type of donor is not - or not considered to be - a fruitful source of funds for research purposes.

Pre-existing links are again found to be an essential variable behind contemporary success in raising funds from philanthropy for research. All six universities that report raising more than 10 million Euros per annum for research have pre-existing links with at least one charitable trust or foundation. Most of these 'very successful' institutions also have a historic endowment, compared to just a quarter of the 'unsuccessful' HEIs that report raising the lowest amounts from philanthropy for research.

We find that very few internal factors have an impact on fundraising success in terms of the absolute amounts raised for research purposes. The successful and unsuccessful institutions do not differ markedly with regard to factors such as how they rate their institution's commitment to, and resourcing of, fundraising activities, nor whether they offer rewards to staff for attracting philanthropic donations. However, we do find a clear and positive relationship between successful outcomes and whether institutions demonstrate genuine commitment to fundraising and invest serious efforts in attracting philanthropic donations.

Finally, we find that the institutions enjoying most success at raising the largest sums for research rarely acknowledge the positive impact of external factors, such as macro-economic conditions or government schemes to promote philanthropy, although they are more likely to describe these factors as neutral, whereas the least successful institutions view them as having a negative effect.



### **Differences between subjective and objective measures of success**

Operationalising both subjective and objective assessments of success results in different institutions being rated as 'most' successful. Of the six objectively successful universities that raised 10 million Euros or more per annum for research, only three are also highly rated in terms of the subjective assessment of their own success.

This is because assessments of 'relative success' appear to depend more upon the receipt of a large number of donations from multiple sources, rather than on the total value of those donations. Subjective assessments of success are based on 'breadth', whereby an institution succeeds in accessing funds from multiple sources, whilst assessments of absolute success are based on 'depth', which involves being in receipt of large sums of money even if they are received from only one source of philanthropic income, which are usually charitable trusts and foundations.

## Conclusions

The independent Expert Group reports and the academic literature that has been published to date, have largely been predicated on the assumption that HEIs will be able to raise more funds from philanthropic sources as a result of changes to their internal organisation and improvements in relevant external factors. To summarise the predominant assumptions, they state that philanthropic potential will be unleashed as a result of:

- (a) Institutions increasing the quantity and quality of their 'asking'.
- (b) Governments providing larger and better incentives to donors.

This reading of the fundraising landscape implies that those institutions that have not yet attained significant success in raising funds from philanthropy for research have failed due to factors such as:

- Lack of will to achieve fundraising success
- Lack of sufficient investment in fundraising activities
- Lack of luck in attracting donors
- Lack of ability in implementing fundraising activities

Yet the findings of this survey question the widespread assumption that better fundraising outcomes are wholly dependent on better investment in fundraising and an enabling environment. We find that a third variable, relating to the presence or absence of institutional privilege, is a crucial factor in achieving successful outcomes.

In the analysis of our data, we identify the existence of **accumulative advantage** as a key factor that has hitherto been absent from the literature on fundraising in the university sector. Our study confirms that universities with useful pre-existing connections to donors and pre-existing sources of philanthropic income are best placed to raise funds from philanthropy for both general expenditure and research purposes. Extant knowledge indicates that advantage also accrues to institutions with a reputation for excellence with which private donors (individuals and corporations) wish to be associated, and a pool of alumni who work in highly paid jobs and are therefore better placed to contribute to fundraising campaigns. Such 'elite' universities are also better placed to recruit the most skilled (and expensive) fundraising staff, and provide them with the best facilities and working environments so as to maximise their chance of fundraising success.

For this reason, we propose that fundraising success should be viewed as a result of what an institution *is* (in terms of its elite status and possession of accumulative advantage), as well as a result of what an institution *does* (in terms of its efforts with regard to fundraising activity) and a result of *where* an institution is located (in terms of an enabling context and environment). Whilst all three factors make an important contribution to fundraising success, the first factor (what an institution *is*) has thus far been largely over-looked.

It is important to note that the presence of factors that result in an institution enjoying accumulative advantage are not restricted to HEIs with particularly long or privileged histories. Universities could have developed their relationship with pre-existing donors in a previous century (for example, with a family foundation) or just in recent years (for example, with a local entrepreneur). Similarly, the endowments that provide fortunate institutions with ongoing flows of money could have been established long ago or in the very recent past. Therefore, whilst this report concludes that accumulative advantage is an important variable to be factored into thinking about the potential for raising funds from philanthropy for research in universities, it should not be interpreted as providing an excuse for some HEIs to make less efforts in this direction. Rather, the onus is on universities currently lacking institutional privilege and those supporting their efforts to diversify their income, to explore ways of gaining the advantages that open doors to greater fundraising success. It is reasonable to conclude that accumulative advantages accrue more easily to some institutions than others - such as those that have had centuries to develop links with donors, and that have long-standing reputations for excellence - but it is not true, or helpful, to view accumulative advantage as a structural force over which an institution has no control. The task is to find ways to create and grow such advantages for themselves.

The European Commission, amongst other governmental organisations, is seeking to gain knowledge about how the university sector might diversify its income, including from philanthropy. The research contained in this report shows that we do not know how realistic it is for all types of HEIs to aim to fundraise significant sums from philanthropy. We certainly should not expect all universities to experience the same level of success in fundraising and neither should we expect them to be equally endowed with the same fundraising capacities. For example, it is important to identify the extent to which relative positions of institutional advantage and disadvantage are liable to moderate the abilities of

universities to fundraise, as well as to identify the opportunities and barriers that exist in the external environment and within institutions themselves. In this regard, we must pay heed to the structural constraints within which fundraising takes place and ensure that expectations are carefully tailored to match the specific context of each university's fundraising activities.

Those institutions that have not yet begun, or seriously begun, fundraising are likely to have some untapped potential that can be unleashed by following 'best practice' and learning from the variables that we have identified as being related with success in other European universities. But an important next step is to assess how much potential exists, how to unlock it, and whether the costs of attempting to unlock it are proportionate.

Our findings on the extent and drivers of fundraising success must also take into account the fact that there is more than one type of university. Differences between types of university relate to their wealth, their history and their relationships with the various types of donors, as well as to differences in their internal organisation and macro-economic contexts. All these differences affect the likelihood of an HEI engaging in - and succeeding in - raising funds from philanthropic sources. It is therefore not helpful to depict philanthropic cultures in monolithic terms because in reality they are highly variegated. We need to understand each in its own context in order to assess the potential capacity for philanthropy to fund university-based research. For example, we find that the university sector in the UK has the most developed fundraising culture, which is unsurprising given the higher profile of general philanthropic activity in that country and the existence of more developed incentive schemes to encourage philanthropic donations to universities. Yet there is evidence of both fundraising efforts and fundraising success in many other parts of Europe, which demonstrates that external factors and the conditions within which universities operate, are important but not decisive in shaping fundraising outcomes.

Other conclusions we reach, based on our data include:

- The tendency to search for 'magic bullet' solutions should be avoided. This report shows that fundraising success cannot be solely attributed to either an enabling fiscal environment or to a highly organised internal fundraising culture.

- Alumni are reported to be the least likely source of funds for both general and research purposes, despite much effort being invested in developing an alumni fundraising culture in Europe to reflect that found in the USA. We therefore suggest that the evidence base for pursuing this strategy needs to be investigated.
- As internal levels of support for fundraising efforts, from the management and governance of universities, as well as from the academic staff, are both reported to be higher than the actual resourcing of fundraising activities, we suggest that closing the gap between support in theory and in practice may have a positive impact on outcomes.
- Given the range of views on the positive and negative impacts of being in receipt of philanthropic funding, we suggest that further research needs to be undertaken to understand the contexts in which positive and negative experiences of philanthropic funding for research in universities occur.
- There is a need for more in-depth studies of how philanthropic cultures are generated, the forms they take, and how they can be sustained over time.

This report seeks to document the kinds of actions, organisational behaviours, communication procedures, collaborations and policy initiatives that might take place within universities in order to enhance the opportunities for successful fundraising from philanthropy. However, it also cautions for a realistic approach with regard to the structural conditions and constraints that moderate and limit the attainment of fundraising success. It is important to make clear to university leaders the relative opportunities that are available to them to approach potential donors, as well as regional variations in the amount of funds that might be made available for research. It is also important to emphasise that there can be no single indicator of 'success'. Multiple and varied evaluations of successful fundraising need to be moderated with due consideration being paid to the type of university in question, its geographical location and the forms and quantities of research that it is seeking to produce.

## **Recommendations**

On the basis of the findings of this research, we make the following ten recommendations:

1. Policy initiatives should not privilege internal or external factors, nor ignore the influence of accumulative advantage.
2. Philanthropy should be understood as a dynamic area and policy making needs to be responsive to change.
3. The gap between 'warm words' and hard investment in fundraising needs to be closed.
4. The potential value of new fundraising products should be explored.
5. Differential tax breaks are needed to stimulate donations for research.
6. There is a need to promote a culture of giving across the European Union.
7. There is a need for compulsory reporting on philanthropy within universities' annual financial reports.
8. There is a further need to identify and map fundraising contacts in European universities.
9. The extent of untapped philanthropic potential also needs to be mapped.
10. There is a need for more comparative studies outside elite institutions.

This report seeks to make a useful contribution to raising understanding of the issues surrounding fundraising from philanthropy for research funding in European universities. Excellence in philanthropic strategies is an important factor behind excellence in research. We hope this report will be of use in assisting universities across Europe to access much-needed funds for research and research-related activities.

# Chapter 1

## Contexts and Issues

### Background

The last 30 years have witnessed major transformations in the culture and organisation of European universities. In part, these are related to increasing demands for higher education. In 1960 there were around one million students enrolled in higher education across EU countries; this figure has now risen to around thirty five million (Geuna 2001; Cremonini 2008). This dramatic increase in student enrolment has been accompanied by a considerable amount of public debate over the adequacy and sustainability of university funding. For a number of years, commentators have raised concerns over the extent to which the public funding of tertiary education is adequate to meet the demands placed on the university system. It is widely reported that, in the years ahead, universities will be expected to take on more responsibility for their long-term financial sustainability; and now all the more so where governments move to introduce public spending cuts as a means to reduce the budget deficits amassed since the 2008 economic recession.

In most national contexts, 'performance-based' systems of funding are being developed as components of a drive to make universities more efficient and accountable (Benninghoff et al. 2005; Geuna and Martin 2003; Kaiser et al. 2001). As universities move to revise their missions and operations so as to better adapt to new social demands and market forces, it is with a particular focus on research activities and outputs that many institutions are working to diversify their sources of funding (European Communities 2008a). A premium is placed on high quality research activities, both as a means to attract students and as a means to initiate collaborative relationships with groups and organisations seeking to 'buy in' the services of academic experts.

Some detect a broad-scale movement towards the introduction of a new "market-like" system in the funding of higher education and research (Amaral et al 2002; Teixeira et al. 2004). It is argued that universities are, or soon will be, working harder than every before to convert academic knowledge into capital. Henry Etkowitz contends that an increasing number of universities are putting systems in place to promote the industrial potential as well as the commercial value of their research, and are doing all they can to provide

themselves with additional income from patents, licences and shares in spin-offs (Etkowitz 2003). Such entrepreneurial developments are a source of considerable controversy (Calhoun 2006). Some hold that the cultivation of university research groupings as 'quasi-firms' restricts the range and quality of research innovation and practice (Slaughter and Leslie 1997). Others raise concerns over the likelihood that such ventures are likely to put a higher value on the funding of short-term projects above studies of longitudinal processes (Bonaccorsi & Daraio 2006). Critics also suggest that drives to commercialise university research militate against the pursuit of knowledge as a public good and that the pressure to realise the capital value of research serves to erode the autonomy of universities and academic experts (Armbruster 2008). Some even go so far as to argue that the effort to convert research universities into entrepreneurial universities amounts to a movement of corporate enclosure over 'the research commons' (Kennedy 2001).

In this context, philanthropy is identified as a potential source of funding for research that might not have an immediate commercial value. It is understood to be a means to establish and sustain research cultures and collaborations that would otherwise fail to attract funding. Non-profit organisations, alumni schemes, wealthy individuals and charitable trusts and foundations are identified as having an important role to play in sustaining the production of knowledge for the public benefit. They are also identified as a means to promote cross-national research initiatives as a source of funding for scholarly research that is undertaken as a good in itself. It is argued:

[Philanthropic individuals and organisations] can increase the volume of research funds for fundamental, blue-skies research, research in orphan areas (i.e those lacking financial and institutional support) and early-stage applied research not sufficiently developed to attract industry funding; they can help further European integration through supporting cross-border research projects. They can fund interdisciplinary projects; enhance researchers' mobility, exchange and collaboration; provide a structure to fund small projects and a strategy to fund research in a long-term and coherent framework complimentary to industry and government. They have the flexibility to respond to the needs of the research community, and trigger research spending by bigger funders.

(European Communities 2005: 8)



Here, the Expert Group places a high value on the potential role of philanthropy in the financing of research. It is claimed that this might not only be allied to movements to preserve research in the public interest, but also that it holds the capacity to fund visionary work that transcends the bounds of institutional routine and academic convention. It is further suggested that research projects which are accorded a low priority within the agendas of national government funding authorities may well stand a greater chance of receiving seed funds from philanthropy, and that this might be the first step toward securing larger and sustained funds from elsewhere.

Two independent reports written by Expert Groups - *Giving More for Research in Europe* (2005) and *Engaging Philanthropy for University Research* (2008b) - offer a series of recommendations to EU Member States and universities on the fiscal measures, institutional mechanisms and organisational cultures that need to be put in place in order to attract more funding for university research from philanthropic sources. These tend to be divided between factors relating to the 'external' social, economic and political environments in which universities are placed, and issues concerned with the 'internal' organisation, activities and cultures of universities. Most of the recommendations in *Giving More for Research in Europe* relate to external environments and structures. The Expert Group suggests a need for improved visibility and information about foundations, the creation of a more beneficial legal-fiscal environment for foundations, improved mechanisms for leveraging funds for research, the promotion of more effective funding arrangements and mechanisms, and the fostering of a more conducive EU-wide environment for foundations.

Whilst repeating the above recommendations, in *Engaging Philanthropy for University Research* far more attention is concentrated on the working environments and activities within Universities. Indeed, this report is characterised by a considerable shift in emphasis towards the need for universities to 'skill-up internally and create their own professional fundraising teams' (2008: 10). This is highlighted as a pivotal matter for investment and organisation, for it is argued that it is through the work of such teams that universities can move to initiate relationships with philanthropic organisations, highlight the value of philanthropic sources of research funds to academic staff, and facilitate a transformation in the culture and organisation and universities so that key research alliances and strategic partnerships are forged with the support of philanthropy. In its summary of key recommendations, the Expert Group argues:

Universities are the main and most important actor. It is they who are the initiators of fundraising for research; they are the ones responding to a need to diversify their funding sources, and they have to take difficult decisions about how to engage in fundraising, what to do and what not to do. Most recommendations of this report are therefore directed at them and relate to fundraising practices; institutional, managerial, and cultural changes; and governance issues.

(European Communities 2008: 78)

Under this emphasis, among their key recommendations they advise that universities should:

1. Include fundraising from philanthropy as part of their overall strategy
2. Build up internal fundraising competences within universities
3. Review the qualifications required of university leadership to include fundraising skills and make fundraising one of their core responsibilities
4. Review the management and accounting practices so that these are better equipped to explain their financial commitments and needs to potential funders
5. Explore the possibility of creating their own foundations for channelling donations to research

(ibid. 76-80)

We are witness to a rapid transformation in the terms of expert debate surrounding the institutional value and funding of university research. It is generally held that a shift towards an emphasis on more competitive and performance related criteria in funding regimes is changing the culture of university research, both in its objectives and the forms in which it is set in practice. A new entrepreneurial attitude is held to be a necessary component of initiatives to diversify funding streams; and in this context, philanthropy is highlighted by the Expert Group as a key target for fundraisers. Philanthropy is identified as both an economic resource and a means to promote a cosmopolitan culture in the university research domain. It is identified as both an untapped reservoir of financial assistance and as a primary means to preserve a space for knowledge production and innovation in the common interest.

As a means to consolidate and develop this opportunity, to date, expert recommendations have concentrated on making clear the governance procedures and regulatory regimes that are most likely to encourage a greater engagement between philanthropy and university research. They have also placed a considerable emphasis on the potential for universities, by making strategic investments in fundraising initiatives, to initiate a process of cultural and structural change that raises more philanthropic funds for their research activities. In this regard, the prospects for engaging philanthropy for university research are held to rest predominantly upon the quantity and quality of university fundraising activities. University fundraising is presented as the main lever of change by the experts, though many questions remain as to how this might be put into practice, and it is by no means clear that all universities share in the ambition to make this a priority when planning for the future.

## Issues and Problems

In most instances, the expert reports on this field and exploratory studies of its current tendencies highlight a range of problems relating to the possibility of gathering an adequate overview of the range of institutional experiences and practices across Europe. Most of the expert advice, whilst drawn from individuals with a working knowledge of university funding, can only look to anecdotal, fragmentary or highly selective evidence in its support. Accordingly, within their recommendations, commentators frequently highlight the need for the development of research tools and data bases that can provide policy makers with access to better qualities and quantities of knowledge of the sector. For example, as a headline recommendation, a recent EC commissioned report on *Changes in University Incomes: Their Impact on University-Based Research and Innovation* (2006) states that, *before* any proper advance can be made towards understanding changes in the funding arrangements of European universities a 'European-wide system for systematically collecting data on individual higher education institutions' must be set in place. The experts argue:

'A minimal set of comparable data must be identified and collected that provides information on several institutional characteristics, including: available resources and expenditures, tangible results for institutions three primary activities (education, research and public service) as well as core data on institutional characteristics (e.g. disciplinary mix and specialization)'

(European Communities 2006: 10)

In the absence of such a resource, they acknowledge that they are not in a position to address European-level developments and the most productive ways of making these the object of policy making. They note that whilst some national level data is available on member state's research and development commitments, we do not have an adequate account of variations between Member States. They contend:

What is missing are research efforts that take into account the wide variation in Europe higher education systems, how institutions behave as strategic units, the priority given to research and education and the diversity of institutional specialization. It would seem, based on the best information that the problem lies

mainly in the lack of readily available, systematically collected and comparable data.

(European Communities 2006: 11)

There is almost a complete absence of comparative data on how universities allocate funds for research and very little is known about the grants and contracts received by universities from private sources<sup>1</sup>. Accordingly, once initiated, many expert group discussions tend to be drawn back to the question of how it might be possible to piece together a credible overview of current practices and experiences that can serve as an adequate basis for assessing core needs and formulating objectives. For example, the authors of *Engaging Philanthropy for University Research* admit that given the lack of data relating to university funding streams, they are unable to report on the overall quantity of funds allocated to university research from philanthropy (European Communities 2008: 94).

Some of the guiding premises adopted within current debates as a means to trace out putative conditions and potentialities might also warrant further scrutiny. For example, to date, the experience and practices of universities in the United States and Canada tend to be taken as a guide for what might be possible in Europe (European Communities 2008: 27-52); however, very few venture to inquire into the extent to which existing models of 'best practice' might be transferable or desirable within a European context. One of the most extensive studies of professional fundraising activities in American universities also notes that there is a marked absence of comparative studies of fundraising activities across the US sector (Caboni 2007; 2010). Most of the US research on university fundraising is focused on single institutions and donor characteristics and so here again the knowledge

---

<sup>1</sup> Efforts are now being made to plug this knowledge gap. See the European Universities Diversifying Income Streams (EUDIS) Expert Conference at the University of Bologna (13-14 September 2010) and preliminary findings from the dataset of the first EUDIS project presented by Thomas Estermann. These note that "while public funding accounts for about two-thirds of a university's average financial structure, universities have to manage multiple funding sources, both private and public. The main part of public funding still comes from a small number of sources, but the remaining part of the budget is highly fragmented, in some cases coming from over 100 different sources. These additional sources are increasingly performance and output oriented funding schemes and often time-consuming to secure. In particular, different and often excessively complex accountability regimes (sometimes from the same funder) lead to high costs of compliance for application, reporting and auditing. A first analysis reveals that the majority of respondents find that European funding schemes, with their heavier accountability procedures, are much more burdensome compared to national funding schemes. Qualitative data shows, though, that some countries have equally complex funding procedures. For further details see: [http://www.eua.be/typo3conf/ext/bzb\\_securelink/pushFile.php?cuid=2939&file=fileadmin/user\\_upload/files/Eudis/EUDIS\\_seminar\\_outcomes\\_final10112009.pdf](http://www.eua.be/typo3conf/ext/bzb_securelink/pushFile.php?cuid=2939&file=fileadmin/user_upload/files/Eudis/EUDIS_seminar_outcomes_final10112009.pdf)

base for national and regional policy makers is deemed to be somewhat limited (for example, see studies of individual alumni associations such as Baade and Sundberg 1996, Clotfelter 2003, Holmes 2009, Okunade and Berl 1997, Wunnava and Lauze 2001).

The few studies that venture to compare fundraising practices and experiences across American public higher education have repeatedly found that the most prestigious research institutions tend to raise the largest amounts of money from private sources (Caboni 2001; 2003; Smith and Ehrenberg 2003; Woods 1987; Liu 2006; 2007) . This tends to be viewed as evidence for a 'Matthew effect' by which wealth and success leads to yet more wealth and success in an ongoing cycle of 'accumulative advantage' (Merton 1968; The quote from the Bible on which the term 'the Matthew effect' is based, is: "For to all those who have, more will be given, and they will have an abundance; but from those who have nothing, even what they have will be taken away" - Matthew 25: 29). When explaining the dynamics of this process, researchers typically point to the fact that most elite research institutions have longstanding ties to wealthy philanthropic institutions; and further, it is also observed that donors generally prefer to give to institutions with an established and sustained record of success.

The most recent Ross-CASE survey report (2010) on charitable donations to British universities also notes further evidence for a 'Matthew effect' in the "very large variation" in fundraising across the United Kingdom. The universities of Oxford and Cambridge consistently receive around 50% of funds donated from philanthropic sources to higher education, whilst the remaining Russell Group<sup>2</sup> members receive between 25-30%. At the same time, however, they note that it may be possible for universities outside of traditional elite groupings to increase the amount of funds they receive from philanthropic donations. Between 2006 to 2009 there was a small increase (from 11-15%) in the overall share of given to higher educational establishments that are not formally part of a mission group (normally associated with profiling research success) (Gilby et al 2010).

Where there is evidence of successful fundraising outside elite institutions, the possible reasons for this need to be carefully explored. To date, no systematic research has been conducted into the exceptions that buck the historical trend in the flow of monies from philanthropy to university research. In this regard, there is no established view on the

---

<sup>2</sup> The Russell Group is a collaboration of twenty UK Universities that together receive two-thirds of research grant and contract funding in the United Kingdom

extent to which this may be related to the organisation of fundraising activities within universities or to changes in the giving cultures and institutional organisation of philanthropy. Certainly, as far as the latter is concerned we should be careful to pay heed to variations in the existence fundraising opportunities across the European union (for example see Jaan Masso's and Kadri Ukrainski's study of the competition for university research funding in Estonia and the study conducted by Azagra-Caro et al into the experience of accumulative advantage across the European Union in relation to university-industry cooperation (Masso and Ukrainski 2009; Azagra-Caro et al 2010)). Whilst there may be as yet unexplored avenues of funding opportunity in countries such as the United Kingdom, it is doubtful that these exist in a similar form throughout Europe. For example, an explorative study commissioned by the European University Association into *The Funding of University-Based Research and Innovation in Europe* notes that:

Many of the traditional universities in the new Member States – more so than the technical universities – find it difficult to find alternative funding source, namely from business or other non-government sources because of weak local economies. The perception of institutions is that international and overseas business investment is currently being received by institutions in the EU fifteen.

(Conraths and Smidt 2005: 14)

So to summarise, the key problems confronting the attempt to formulate recommendations for European universities seeking to raise funds for research from philanthropy are as follows:

- 1) The lack of rigorous, systematic and comparable research data on the current range of fundraising experiences and activities across Europe.
- 2) Variations in the quantity and quality of philanthropic sources of funding across different regions of the European Union
- 3) The extent to which the 'accumulative advantage' of the most 'prestigious' and 'privileged' research universities serves to channel available funds to a small group of 'elite' institutions.

## Research Aims and Objectives

This study offers a comparative overview of the experience of fundraising from philanthropy for the purposes of research in European Universities. It aims to chart the prevalence of efforts made to fundraise from philanthropic sources across the European Union. It also provides some insights into the relative experience of successful fundraising and explores the range of associated factors that may be held responsible for this. Our data serves as a means to further analyse and evaluate the recommendations outlined in *Engaging Philanthropy for university research* (European Communities, 2008b). It is hoped that these will provide an adequate evidence base for preparation of possible future European initiatives in this area, and for future monitoring of fund-raising performance of European Universities.

We offer an assessment of the importance of philanthropic funding in European universities in general, and specifically in support of university-based research. We have collected data on Higher Education Institutions that actively raise funds from philanthropic sources and have highlighted the contribution this makes to university-based research.

The definitions used in this study are as follows:

### *Philanthropic funding*

'Philanthropic funding' includes all funds, capital assets and gifts in kind received from philanthropic individuals and organisations (excluding governments). This includes gifts and awards from these services but not payments for services. Contract research, therefore, does not qualify as philanthropic funding. Competitive research funding from philanthropic sources such as foundations and trusts, however, does count as philanthropic funding.

### *Research*

For the purpose of this study, the definition of 'research' includes fundamental research, industrial research and experimental development. It includes not just scientific and technological research but also research in social sciences and humanities. 'Funding for research' is interpreted in a broad way, and includes endowing chairs, research projects, scholarships, scientific prizes, buildings, etc.



### *Universities (the research population)*

The term 'universities' is taken to mean all higher education institutions (HEIs), graduating the level of ISCED 5A, 5B and 6<sup>3</sup> as well as 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> cycle (Bachelor, Master and Doctorate). Despite this unifying scale, there remain some substantial differences between institutions and countries (cf. OECD (2007) Education at a Glance: OECD Indicators 2007. Paris: OECD).

As the subject of this study is 'fundraising from philanthropy for research funding', priority was given to HEIs conducting research. In this regard, the study primarily focuses on universities (public and/or private) awarding Bachelor's, Master's and Doctorate degrees (ISCED level 5A and 6). The study also focuses on public and private universities of applied sciences, fachhochschulen etc. awarding Bachelor's and Master's degree. Mostly these institutions do not award Doctorate degrees. However, they provide direct access to ISCED level 6 programmes. In all cases, an important criteria is that they should conduct (applied) research. Institutions providing only level 5B education do not fit the scope of this study since they do not (or extremely rarely) pursue research.

### *Analysis of Data*

The data that we gathered were analysed in terms of their fundraising structure and cost, degrees of success, forms of philanthropic support, funds allocation, strategies and tactics adopted to raise funds for research and positive or negative impacts associated with the receipt of philanthropic funding for research.

Our analysis is informed by ongoing attempts to document the force and scale of 'the Matthew effect' in the experience of successful fundraising. Accordingly, we aim to question the meaning of 'success' in relation to the fundraising activities of different types of university and their locations within the European Union. We recognise that it is important to understand and evaluate the relative experience of philanthropic fundraising opportunities across the European Union. We also hold that it is important to understand the contrasting ways in which research funds might be used across universities and

---

<sup>3</sup> ISCED 5A = Tertiary education; theoretically based, research preparatory programmes or programmes with high skills requirements (e.g. Medicine, Architecture). Award Bachelor's and Master's degrees.  
ISCED 5B = Tertiary education; practical, technical and occupationally specific programmes. Do not provide direct access to level 6 programmes. Award Bachelors degree.  
ISCED 6 = Advanced tertiary education; providing access to research posts, to finish a dissertation. Award Doctorate degrees.

disciplines (for example, 'successful' fundraising for a philosophy department will be judged on entirely different criteria to those for a medical school and no doubt the latter will need to raise much larger sums of money in order to pursue their research). Where possible we aim to evaluate the relative contribution of factors 'internal' to the organisation of university fundraising to those relating to the 'external' encouragement that is given to the establishment of a philanthropic culture within individual Member States. We recognise the importance of working to specify the kinds of actions, organisational behaviours, communication procedures, collaborations and initiatives that might take place within universities in order to enhance the opportunities for successful fundraising from philanthropy. At the same time we aim to be realistic with regard to the structural conditions and constraints that moderate and limit the attainment of fundraising success. Where universities decide to devote time and resources to fundraising it is important to make clear the relative opportunities that are available to them to approach potential donors, as well as regional variations in the amount of funds that might be made available for research.

In summary, whilst this study provides an overview of the ways in which European universities are working to raise funds from philanthropic sources for the purposes of academic research, it also highlights the need for more in-depth studies of regional and institutional variations in the potential for this to be developed as a core concern. Whilst we are able to indicate some of the conditions that are most productive for this manner of fundraising as well as the types of organisation and action that are most likely to achieve success, we are concerned to make clear the importance of tailoring any subsequent policy initiatives to specific contexts. Much work remains to be done when it comes to charting the domains, interests and resources of contrasting cultures of philanthropy across Europe. We have also only just begun the work of understanding the range and diversity of the relationships between university fundraisers and donors and the conditions under which these are most likely to bring funds to research.

## Chapter 2

# Findings: The distribution of fundraising efforts and outcomes

The first chapter reviewed the wider context of changes affecting the financing of universities across Europe. It identified a widespread need to diversify income, which in turn has led to an increased interest in exploring the potential of philanthropic sources. Whilst these developments have been accelerated by the recent global recession, there remains a range of views regarding the advantages and disadvantages of increasing the share of income that comes from philanthropic sources. Furthermore, it was found that different nation states within Europe are likely to have differential access to philanthropic funds, depending on their social, political and cultural history and traditions

This chapter presents an overview of the findings of a pan-European survey on fundraising from philanthropic sources in European universities. The findings are presented in six distinct sections:

### **Findings Section 1: Historical Context**

The existence of pre-existing sources of philanthropic funds and historic links to donors

Finding 1: Pre-existing links with philanthropic donors

Finding 2: The receipt of philanthropic contributions from historic endowments

### **Findings Section 2: Contemporary Context**

The impact that contextual factors have on the efforts made, and success achieved, in fundraising from philanthropy.

Finding 3: The perceived impact of contextual factors

### **Findings Section 3: Efforts and success in fundraising for general purposes**

An overview of the efforts made, and success achieved, in attracting different sources of philanthropic funding for general university expenditure.

Finding 4: The incidence of receipt of donations from different philanthropic sources

Finding 5: The perceived importance of different types of donor

Finding 6: Frequency of efforts to raise funds from different philanthropic sources

Finding 7: Perceptions of success in raising funds for general purposes

Finding 8: Frequency of different types of philanthropic contributions

### **Findings Section 4: Efforts and success in fundraising for research**

An overview of the efforts made, and success achieved, in attracting different sources of philanthropic funding for spending specifically on research and research-related activities.

Finding 9: Frequency with which philanthropic contributions are used to fund research

Finding 10: Frequency of efforts to raise philanthropic funding for research projects

Finding 11: Efforts to raise funds for research from different philanthropic sources

Finding 12: The average amount of philanthropic funds raised annually for research

Finding 13: Perceptions of success in raising funds for research

Finding 14: Future intentions for fundraising for research activities

### **Findings Section 5: The impact of philanthropic funding**

Data is presented on the ways in which European universities use philanthropic funds to support research, views on the positive and negative impacts of this source of funding and opinions on the factors that affect success and failure in fundraising activities.

Finding 15: Control of how philanthropic funds for research are spent

Finding 16: Ways in which philanthropic contributions are used to support research

Finding 17: Positive and negative impacts of receiving philanthropic funding for research

Finding 18: Factors that affect the success of efforts to secure funds for research

## **Findings Section 6: The organisation of fundraising activities**

Information is presented on the internal organisation of fundraising activities within European universities, relating to factors such as investment in fundraising activities, institutional strategies and approaches, and the degree of encouragement given to fundraising efforts.

Finding 19: Allocation of responsibility for philanthropic fundraising

Finding 20: Level of investment in fundraising activities

Finding 21: Perceptions of institutional commitment to fundraising activities

Finding 22: Presence of a formal policy on fundraising

Finding 23: Presence of formal systems to report on, and measure, fundraising activities

Finding 24: Presence of differentiated strategies for different types of donor

Finding 25: Presence of specialist fundraising staff

Finding 26: Rewarding staff for attracting philanthropic donations

Finding 27: Focus of fundraising strategy on size of donations

Finding 28: Prevalence of recognition for donors

Finding 29: Forms of recognition offered to donors

Finding 30: Keeping donors informed about outcomes and impact

Finding 31: Production of materials to attract donors

Finding 32: Use of a database to manage relationships with donors

## **Geographical distribution of response rate**

A full description of the methodology is presented in appendix B, but it is important to note here that the response rate to the survey was lower than hoped, and was highly variable across the European Union. As the table on p.38 shows, the highest response rate was achieved in the Northern-Western states and a minimal response was received from universities located in many of the new Member States.

The incidence of non-response rate suggests that most universities are either:

- 1) Not willing to respond to our prompting because information is sensitive.
- 2) Not able to respond to our prompting because there is no designated fundraiser.
- 3) Not looking to research as key source of funding/prestige.
- 4) Have no or limited opportunities to secure funds for research from philanthropy.
- 5) Are not sufficiently incentivised to work at fundraising from philanthropy.

However, as documented in appendix B, strenuous efforts were made to encourage a high level of participation amongst all Higher Education Institutions in Europe that award degrees and conduct research. It is possible that the low response rate is in fact revealing of a key finding, rather than a result of any problems in the research method. The finding that we suggest it reveals, is that the response rate was rather low because the level of activity of fundraising from philanthropy for research funding across Europe is also correspondingly low. The low response rate may reveal a lack of engagement with this issue. It is perfectly possible that there is a trend towards greater engagement with philanthropic fundraising, but this survey refers to a discrete time period of activity, rather than a study of changes in fundraising activity over any period of time. As discussed in chapter 1, both the Ross-CASE survey in the UK and the work conducted by EUDIS appear to indicate that there is some movement outside of elite institutions towards greater input and outcomes from philanthropic fundraising, but we do not know whether this is replicated in other European countries, nor do we know how much untapped potential there is across the sector and, therefore, what any increased efforts might potentially deliver in terms of philanthropic funds raised for research.

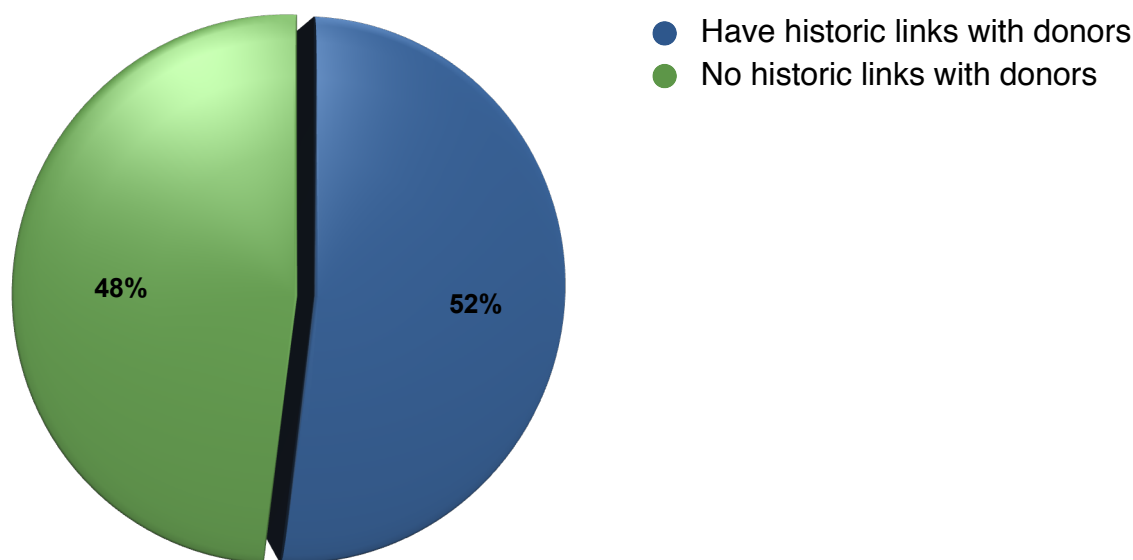
<b>Country</b>	<b>Number of completed surveys</b>	<b>% of relevant HEIs in this country that participated in the research</b>
Austria	6	18%
Belgium	4	31%
Bulgaria	5	10%
Cyprus	2	33%
Czech Republic	3	9%
Denmark	5	71%
Estonia	2	22%
Finland	3	23%
France	16	15%
Germany	16	14%
Greece	1	6%
Hungary	0	0%
Ireland	2	29%
Italy	10	11%
Latvia	3	15%
Lithuania	3	20%
Luxembourg	0	0%
Malta	0	0%
Netherlands	11	73%
Poland	7	8%
Portugal	3	8%
Romania	3	4%
Slovenia	1	25%
Slovak Republic	1	7%
Spain	4	7%
Sweden	6	15%
United Kingdom	44	27%
All	164	-

# Findings Section 1: Historical context

The first set of findings reveal the extent of the existence of pre-existing links with donors and the presence of historic sources of philanthropic funds.

## Finding 1: Pre-existing links with philanthropic donors

Given the widely understood importance of accumulative advantage as a contributing factor to fundraising success, our first finding is concerned with assessing the extent of an important type of institutional privilege: pre-existing links with different types of philanthropic donors. As graph 1a shows, over half (52%) of all respondents report the existence of such relationships. When we focus solely on those universities that have made efforts to raise philanthropic funds for research, we find that 83% of these institutions report the existence of a historic relationship with donors. However, this means that almost half (48%) of universities lack any such pre-existing relationship with any type of donor. The implications of this situation for their present-day fundraising success is explored further in the analysis of fundraising outcomes and success.

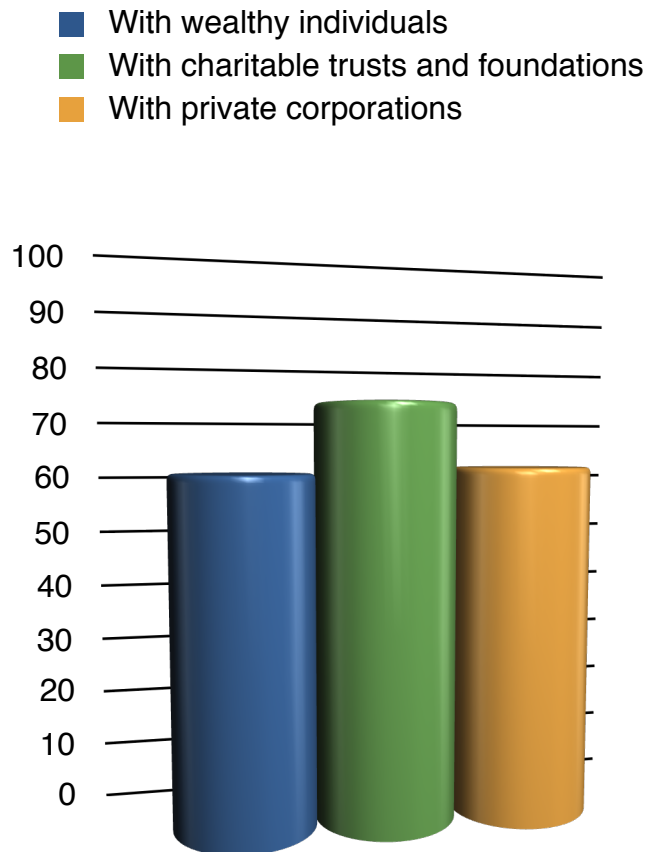


	percentages	N
Have pre-existing links with any type of donor	52%	85
No pre-existing links with any type of donor	48%	79
Total	100%	164

**Graph 1a: Percentage of respondents reporting the existence of pre-existing links with donors**



Graph 1b illustrates that where these pre-existing links exist, they are primarily with charitable trusts and foundations (in 73% of cases), and less often with private corporations (such links exist in 62% of cases) and with wealthy individuals (in 61% of cases).



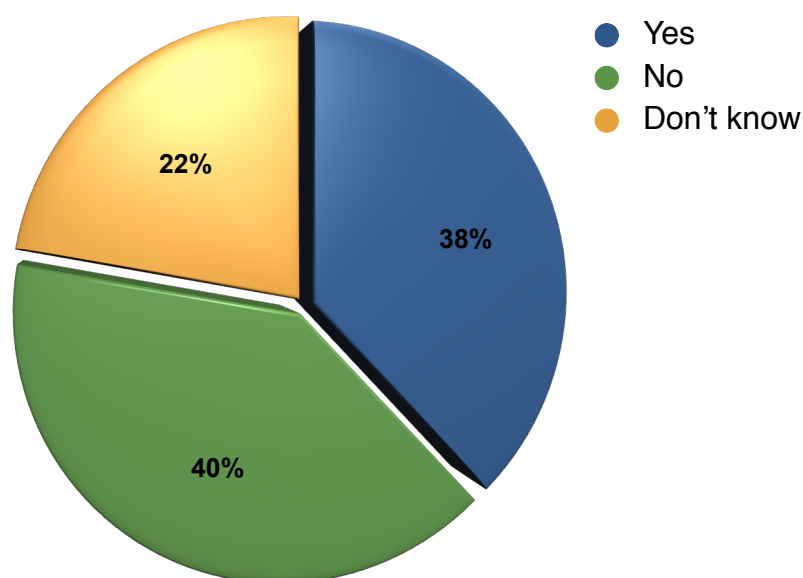
**Graph 1b: Types of pre-existing links reported by respondents**

	percentages	N
With wealthy individuals	61	52
With charitable trusts and foundations	73	62
With private corporations	62	53

**NB:** Percentages don't add up to 100 as more than 1 answer is possible

## Finding 2: The receipt of philanthropic contributions from historic endowments

Graph 2 illustrates the percentage of universities that receive income from the interest earned on large donations made in the past; this type of philanthropic contribution is known as a historic endowment. Of those able to provide an answer, just under four out of ten institutions (38%) are in possession of a historic endowment and a slightly larger number (40%) of HEIs do not have any philanthropic income from historic donations. It is important to note that the size of these historic contributions is unknown, and is likely to vary considerably. Nevertheless their presence or absence is indicative of the extent to which a university is in possession of some degree of accumulative advantage.



Graph 2: Percentage of universities with historic endowments

	Percentages (n=139)
Yes	38
No	40
Don't know	22

## Findings Section 2: Contemporary context

### Finding 3: The perceived impact of contextual factors

The survey identified four contextual factors that might affect the extent of an institution's efforts and subsequent success in fundraising activities:

1. General macro-economic conditions
2. General fiscal, legal and regulatory framework in their country
3. General cultural attitudes towards philanthropy in their country
4. The existence of government schemes to promote philanthropy

Respondents were presented with these four factors and asked to indicate whether they felt they constituted a positive, negative or neutral impact on their efforts to raise funds from philanthropy. As table 3 shows, three out of these four factors were more likely to be viewed as having a negative rather than a positive impact; these three factors are: general macro-economic conditions; general fiscal, legal and regulatory framework; and general cultural attitudes to philanthropy. Only one - the existence of government schemes to promote philanthropy - was more likely to be viewed as a positive externality. Around a third of respondents felt that all four factors had no discernable impact, for better or worse, on their efforts and success.

	percentages (n=105)			
	Negative factor	Neutral factor	Positive factor	Don't know
General macroeconomic conditions	31	29	15	26
General fiscal, legal and regulatory framework in our country	30	29	18	24
General cultural attitudes to philanthropy in our country/region	44	25	14	17
Government schemes to promote philanthropy (e.g. the provision of matching funds)	14	31	38	17

**Table 3: Contemporary contextual factors that are perceived to affect the success and failure of efforts to raise funds for research**

As this question asks for subjective judgements, it is possible that pessimistic attitudes held by some fundraisers has affected this finding. it is likely to be important to do further

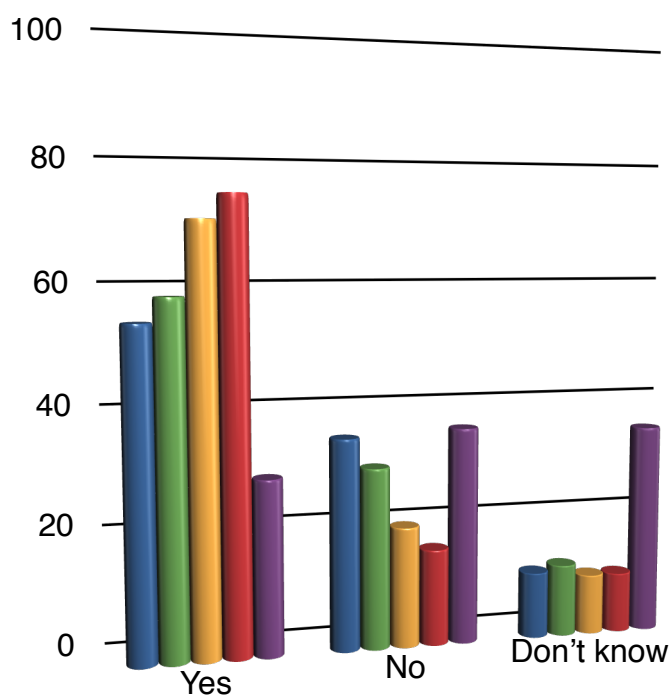
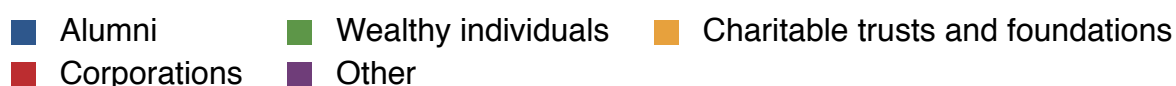
research in order to assess the actual impact of these factors on the extent of an institution's efforts and subsequent success in fundraising activities.

## Findings Section 3: Efforts and success in fundraising for general purposes

The findings in this section relate to the efforts and success in attracting different sources of philanthropic funding for general university expenditure. Philanthropic funding that is raised and spent specifically on research activities will be discussed in the next section.

### Finding 4: The incidence of receipt of donations from different philanthropic sources

This finding indicates that funds are most likely to be raised from corporations, with three-quarters (74%) of universities in receipt of recent donations from this source. Charitable trusts and foundations are the next most likely source of philanthropic funds, with 70% of universities successfully securing gifts from this source. Wealthy individuals have contributed to 58% of the universities in our sample and alumni have provided support to just over half (54%) of surveyed institutions.



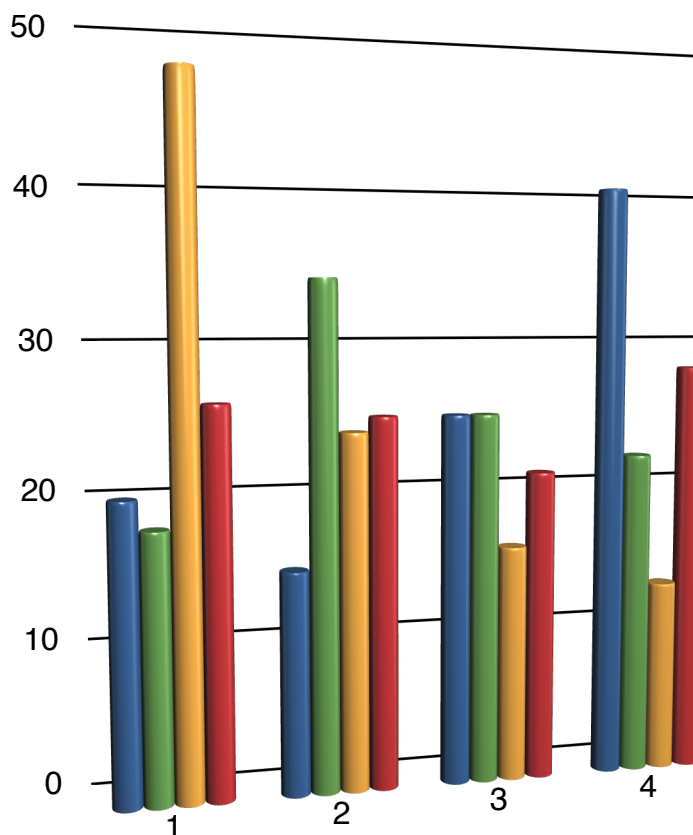
**Graph 4: Sources of funds from philanthropic sources for general usage in universities across Europe**

	percentages (n=150)		
	Yes	No	Don't know
Alumni	54	35	11
Wealthy individuals	58	30	12
Charitable trusts and foundations	70	20	10
Corporations	74	16	10
Other	29	36	35

**Finding 5: The perceived importance of different types of donor**

However, the frequency with which philanthropic donations are made by different types of funder is not necessarily indicative of their overall strategic importance. The size of gift that different types of funders are capable of making is of greater importance, as reflected in Graph 5 which illustrates the perceived importance of different types of funder.

- Alumni                      ■ Wealthy individuals                      ■ Charitable trusts and foundations
- Corporations



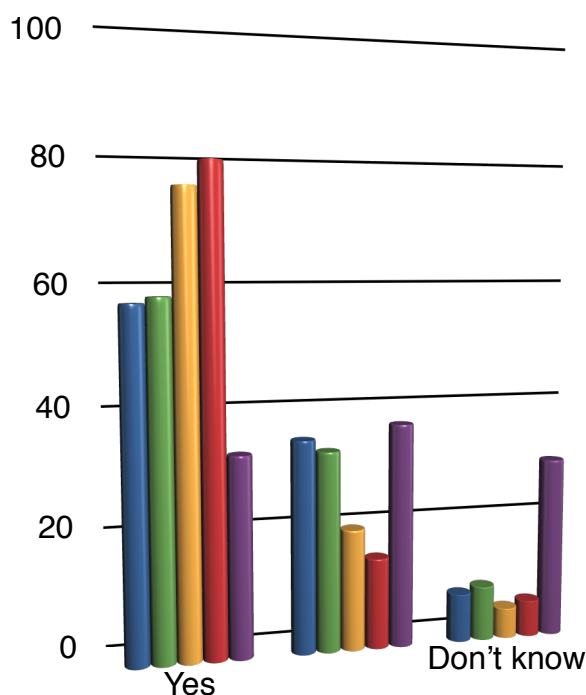
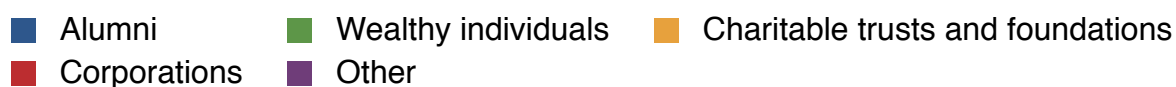
**Graph 5: Which donors are most important to your institution, 1 = most important, 4=less important**

	Percentages (n=104)			
	1=most important	2	3	4=less important
Alumni	20	15	25	40
Wealthy individuals	18	34	25	22
Charitable trusts and foundations	47	24	16	13
Private corporations	26	25	21	28

Charitable trusts and foundations, which can have the capacity to make multi-million Euro donations, are most likely to be ranked top priority. Almost half of respondents (47%) perceive charitable trusts and foundations to be the most important type of donor. Corporations are considered to be the most important type of donor by 26% of universities. Despite more gifts being received from wealthy individuals than from alumni, slightly more universities prioritise alumni donors (20%) than those prioritising wealthy individuals (18%). However, 40% of universities rank alumni as the 'least important' type of donor.

**Finding 6: Frequency of efforts to raise funds from different philanthropic sources**

Receipt of funding is likely to be linked to some degree to efforts made to secure philanthropic donations. Graph 6 shows that the type of funder most likely to be approached by our respondents is corporations, as efforts were made to raise funds from this source by 79% of respondents. The incidence of efforts appears to relate to Finding 4, which found that corporations were the most frequent source of philanthropic donations. 75% of respondents have tried to secure gifts from charitable trusts and foundations, 58% have approached wealthy individuals and 57% have tried to secure gifts from alumni.



**Graph 6: Percentage of universities that have made efforts to fundraise from different philanthropic sources since January 2005.**

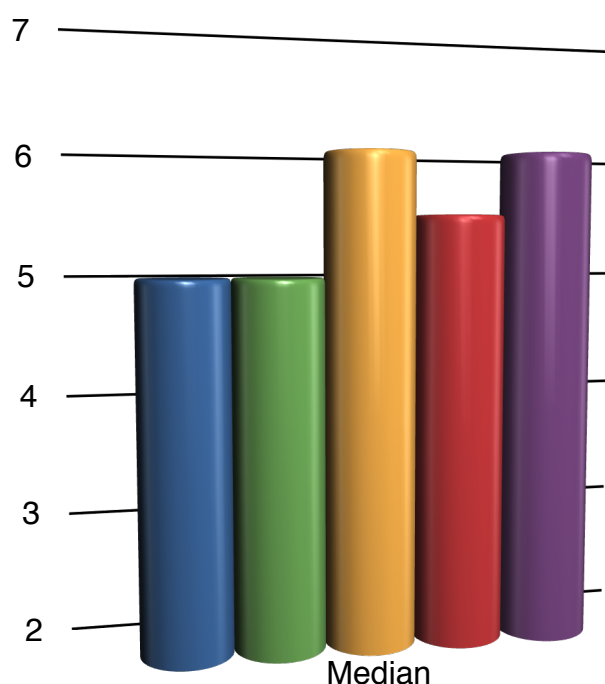
	Percentages (n=156)		
	Yes	No	Don't know
Alumni	57	35	8
Wealthy individuals	58	33	9
Charitable trusts and foundations	75	20	5
Corporations	79	15	6
Other	33	37	30



### Finding 7: Perceptions of success in raising funds for general purposes

Not only are charitable trusts and foundations considered to be the most important type of philanthropic funder (as shows in Finding 5) but universities are also most likely to report a higher degree of satisfaction with their success in appealing to this type of funder, as shown in Graph 7.

- Alumni
- Wealthy individuals
- Charitable trusts and foundations
- Corporations
- Other

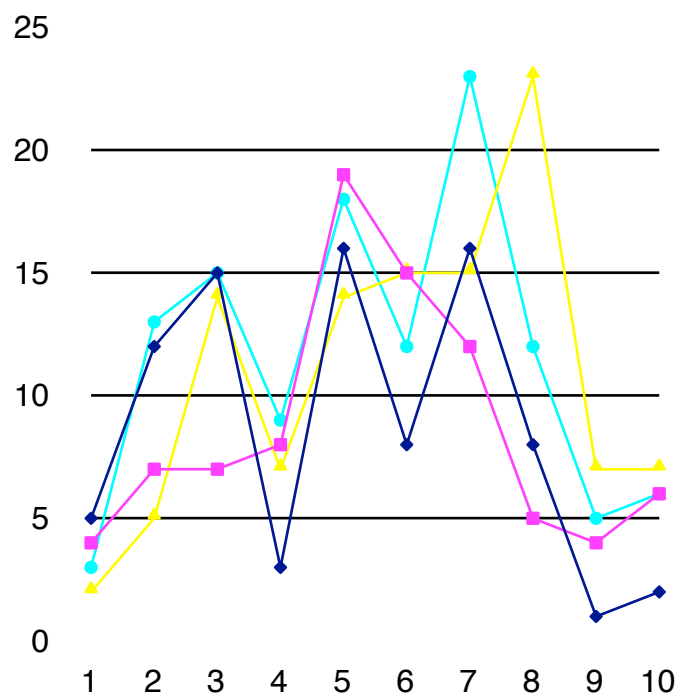


**Graph 7: Median self-reported rate the success of fundraising efforts with regard to different types of funder (1 = ‘not at all’. 10 = ‘very’)**

	Median	N
Alumni	5	86
Wealthy individuals	5	87
Charitable trusts and foundations	6	109
Corporations	5.5	116
Other (e.g. public sector, banks and financial institutions, (retired) staff )	6	49

As Graph 7 refers solely to the median score for self-reported success in fundraising from different philanthropic sources, Graph 7a provides a fuller account of responses to this question. It shows that many (around a third) of universities rate their success in fundraising from charitable trusts and private corporations as nearer to 7 or 8 out of ten, despite the median response being, respectively, 6 and 5.5. This indicates high degrees of confidence in fundraising from these sources amongst a substantial number of institutions. However, Graph 7a also shows that many universities rate their success in terms of low figures (1-3) rather than high (9 or 10), indicating a worrying degree of pessimism amongst an equally substantial number of respondents.

- ◆ Alumni
- Wealthy individuals
- ▲ Charitable trusts and foundations
- Corporations

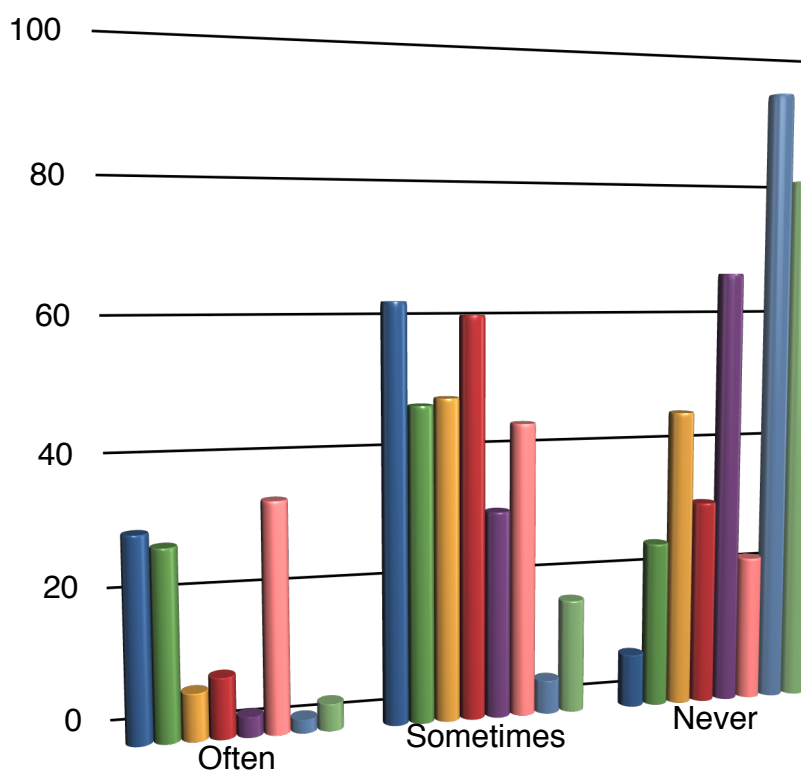


**Graph 7a: How do you rate the success of your fundraising efforts with regard to different types of funder? (1 = 'not at all'. 10 = 'very')**

### Finding 8: Frequency of different types of philanthropic contributions

Graph 8 shows the types of philanthropic contributions that are received by European universities, and the frequency with which these contributions occur. The most striking aspect of this finding is that very few types of donation occur frequently. Gifts from charitable trusts and foundations are only reported as being received ‘often’ by a third (34%) of universities, and one-off or regular donations are only received ‘often’ by 30% of our respondents. More than half of our respondents report ‘never’ receiving certain types of contributions: 93% never receive hypothecated donations and 66% never receive gifts of capital assets. Most types of contributions are reported to only occur ‘sometimes’, which raises questions about the efficiency of recommending that all types of HEIs invest in all types of fundraising activities.

- One-off donations from individuals, corporations, etc
- Regular donations from individuals, corporations etc.
- Legacies / Bequests\*
- Gifts in kind
- Gifts of capital assets (e.g. land or property)
- Grants from charitable trusts and foundations
- Hypothecated donations (funds or property pledged as security for a debt)
- Other



Graph 8: Frequency of different types of philanthropic contributions

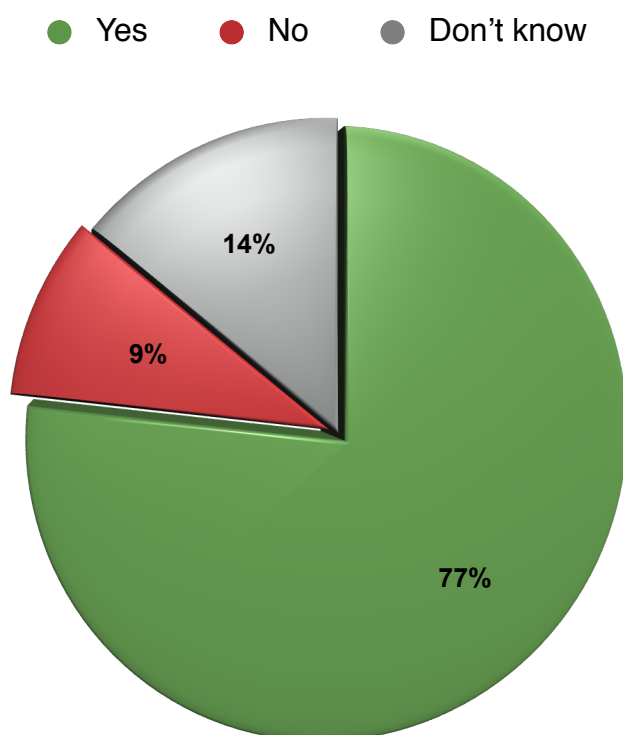
Type	Percentages (n=142)		
	Often	Sometimes	Never
One-off donations from individuals, corporations, etc	30	62	8
Regular donations from individuals, corporations etc.	28	47	25
Legacies / Bequests*	7	48	45
Gifts in Kind	9	60	31
Gifts of capital assets (e.g. land or property)	3	31	66
Grants from charitable trusts and foundations	34	44	22
Hypothecated donations (funds or property pledged as security for a debt)	2	5	93
Other	4	17	80

\*n=137

## Findings Section 4: Efforts and success in fundraising for research

### Finding 9: Frequency with which philanthropic contributions are used to fund research

The first finding in this section, which presents data on the receipt of philanthropic funds specifically ear-marked for expenditure on research and research-related activities, finds that over three quarters (77%) of respondents have used philanthropic contributions to fund research since January 2005. This demonstrates the widespread importance of this source of income for research-related expenditure in universities across the European Union. However, this finding does not tell us anything about the extent of philanthropic support received for research activities, nor what this money can be used for (this latter point is covered in Finding 16).

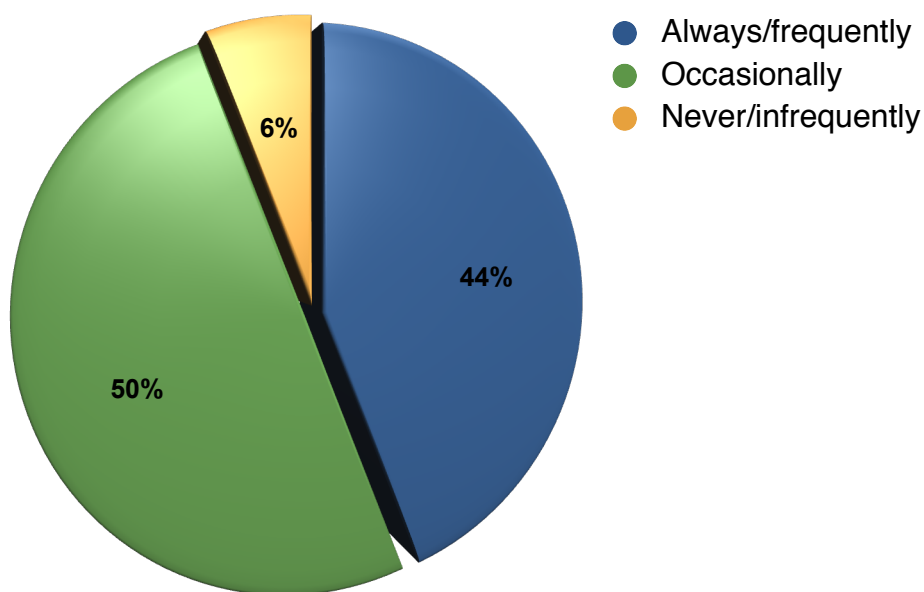


**Graph 9: Percentage of universities that have used philanthropic contributions to fund research since January 2005**

	percentages (n=124)
Yes	77
No	9
Don't know	14

**Finding 10: Frequency of efforts to raise philanthropic funding for research projects**

Graph 10 shows that just under half (44%) of respondents make constant or frequent efforts to raise funds from philanthropic sources to fund research projects, and only 6% report 'never' seeking philanthropic funds for this purpose. Therefore almost all (94%) of the respondents are making some degree of effort to raise philanthropic funds for research projects.

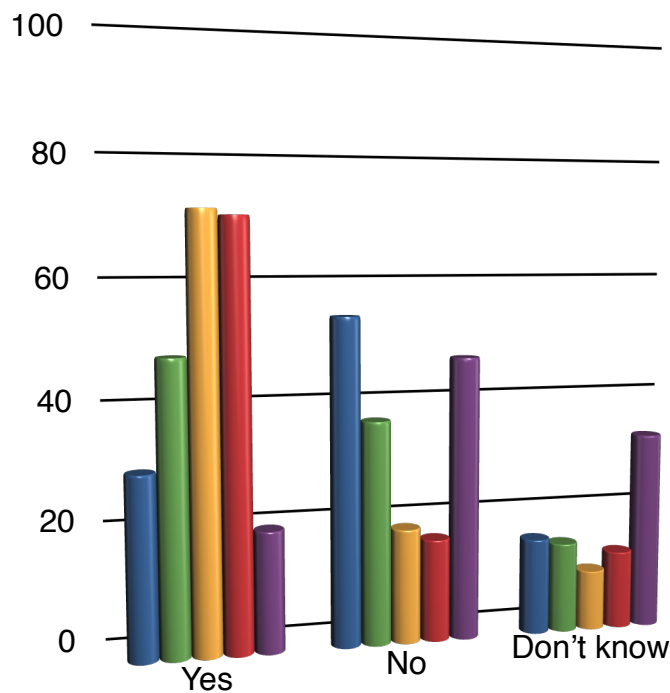
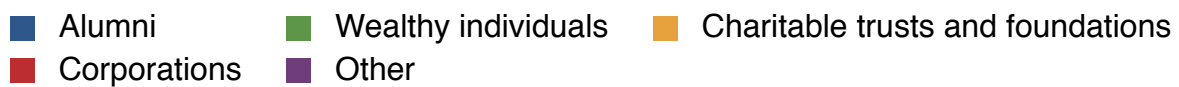


**Graph 10: Frequency of efforts made by universities to seek philanthropic funding for research projects**

	Percentages (n=103)
Always/frequently	44
Occasionally	50
Never/infrequently	6

### Finding 11: Efforts to raise funds for research from different philanthropic sources

Graph 11 illustrates which types of funders have been approached with requests for philanthropic funding specifically for research and research-related activities. Respondents are far more likely to approach institutional funders (charitable trusts and foundations or corporations, at 71% and 70% respectively) than they are to approach individual donors (wealthy individuals or alumni, at 48% and 30% respectively). It is interesting to note that in Finding 6, we found that 57% of respondents are making efforts to raise funds from their alumni for general purposes, Yet graph 11 shows that less than a third of respondents (30%) are making efforts to raise funds for research from alumni. This disparity is presumably based on a view that funding research is not an attractive proposition for alumni. Indeed, all types of funders are approached less frequently for research funding than for general funding, but it is unclear whether this differential effort to seeking funds is based on evidence or assumptions regarding the attractiveness of research to potential funders.



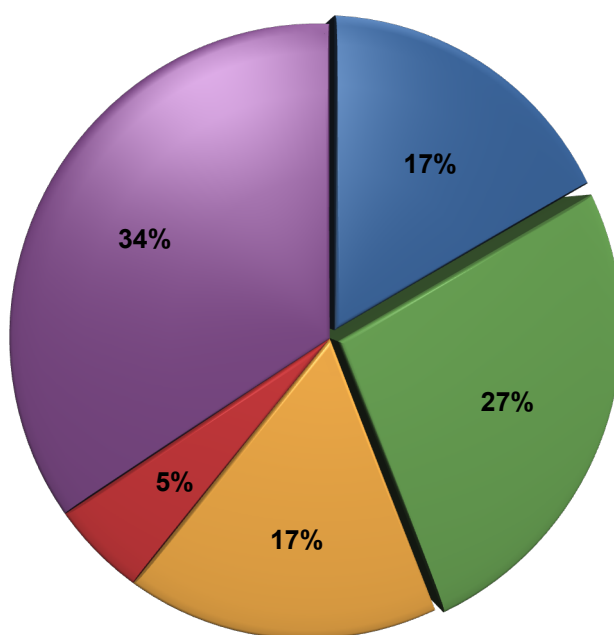
**Graph 11: Incidence of efforts to raise funds for research from different philanthropic sources since January 2005**

	Percentages (n=126)		
	Yes	No	Don't know
Alumni	30	54	16
Wealthy individuals	48	37	15
Charitable trusts and foundations	71	19	10
Corporations	70	17	13
Other	20	47	33

**Finding 12: The average amount of philanthropic funds raised annually for research**

Despite the widespread existence of using philanthropic funds to pay for research-related activities, graph 12 shows that only a tiny percentage of universities are raising significant sums from philanthropic sources for this purpose. Just six HEIs (5% of respondents) report raising more than 10 million Euros on an annual basis to fund research, and less than 1 in 5 (17%) report raising between 1-10 million Euros for this purpose. Just over a quarter (27%) report raising between 100,000 Euros and 1 million Euros and 17% report raising less than 100,000 Euros. Strikingly, a large percentage of respondents were either unable or unwilling to provide this information.

- Less than 100,000 euro's
- Between 100,000 – 1,000,000 euro's
- Between 1,000,000 – 10,000,000 euro's
- More than 10,000,000 euro's
- Don't know



**Graph 12: The average amount of philanthropic funds raised annually for research**



	percentages (n=112)
Less than 100,000 euro's	17
Between 100,000 – 1,000,000 euro's	27
Between 1,000,000 – 10,000,000 euro's	17
More than 10,000,000 euro's	5
Don't know	34

Unfortunately, very few respondents were willing or able to provide information about their institutions' total income, or information about the percentage of income that came from philanthropic funding. Only 25 respondents (15%) answered question B9a ('Please provide the total income of your institution for the last financial year that figures are available) and some of these answers were clearly unreliable (for example some said £1 or 1 Euro). Only 16 (10%) answered question B9b ('What percentage of your institution's total income comes from philanthropic funding?'). This missing data is most unfortunate as it prevents us from drawing conclusions about how the absolute amounts raised relate to the institutions' overall budget, and therefore their need for different amounts of philanthropic funding.

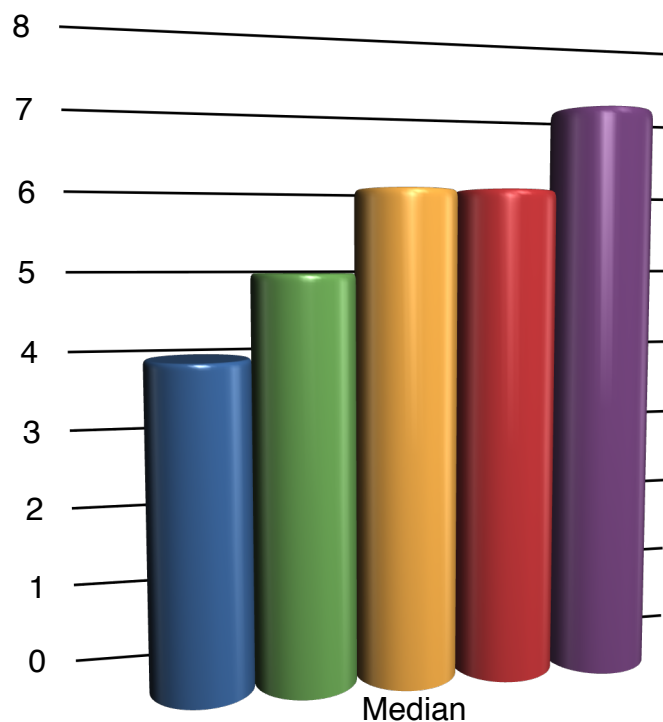
### **Finding 13: Perceptions of success in raising funds for research**

Respondents reported different levels of satisfaction with their success in raising funds for research compared to their satisfaction with raising funds for general purposes. In Finding 7 we saw that the median satisfaction levels for general fundraising ranged from 5 (for alumni and wealthy individuals) to 6 (for charitable trusts and foundations). Graph 13 shows that universities are equally satisfied with their efforts to raise funds for research from charitable trusts and foundations and from wealthy individuals (with again, respectively, a median of 6 and 5), and are slightly more satisfied with their attempts to fundraise for research from corporations, with a median value of 6, compared to a median value of 5.5 rating their attempts to fundraise from corporations for general purposes. Yet median satisfaction with attempts to fundraise for research purposes from alumni is 1 point lower than reported median satisfaction with attempts to fundraise from alumni for general purposes.

This finding indicates that research may be viewed as a more or less attractive proposition for different types of donors. Research is an abstract good, which may make it less appealing to some types of donors, notably those that prefer to fund something with a

more concrete or tangible outcome. This is probably linked to a wider problem in communicating the potential for research to improve daily life. It may be that charitable trusts and foundations are the most comfortable with funding abstract goods, as many - including Europe's biggest foundation, the Wellcome Trust - view funding research as part of their 'core business'. If it is the case that some types of donors require greater reassurance regarding the wider social benefits of funding research, and/or material evidence of the impact of their gift, then the onus is on researchers to become better at communicating the outcomes of their work, and on fundraisers to package the 'ask' and design ways of meeting donors needs, for example by offering recognition for those who fund research.

■ Alumni      ■ Wealthy individuals      ■ Charitable trusts and foundations  
■ Corporations      ■ Other



**Graph 13: Perceptions of success with fundraising efforts for research purposes, where 1='not at all' and 10= 'very'**

	Median	N
Alumni	4	37
Wealthy individuals	5	59
Charitable trusts and foundations	6	85
Corporations	6	82

As Graph 13a shows, there is a wide spread of levels of satisfaction with success in fundraising for research, with roughly equal percentages of universities rating their efforts as particularly unsuccessful (rating 1-3) and particularly successful (rating 9 and 10). As with self-reported levels of satisfaction at general fundraising efforts (shown in graph 7a), universities are more satisfied with their efforts in fundraising from institutional funders (charitable trusts and foundations and corporations), than with individual donors (alumni and wealthy individuals).

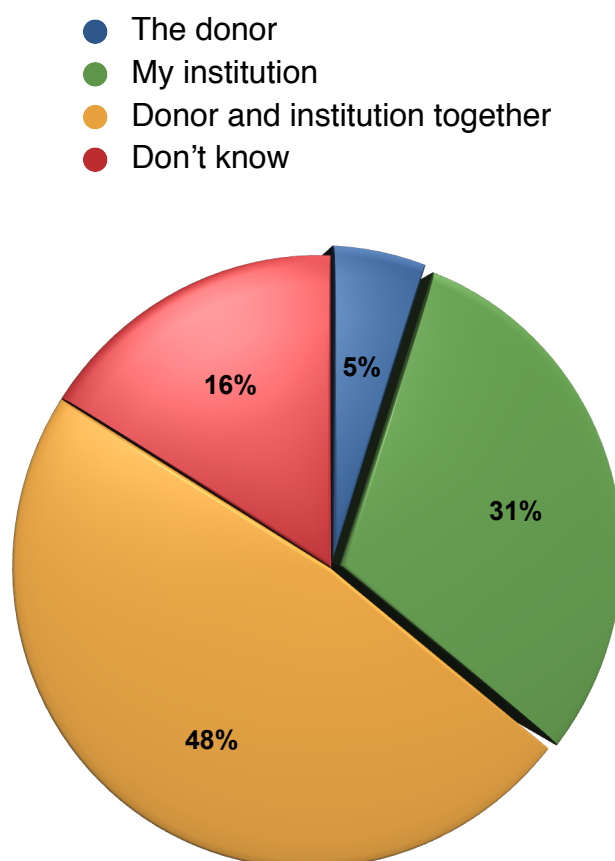


## Findings Section 5: The impact of philanthropic funding

This section presents findings that relate to the ways in which European universities use philanthropic funds to support research, respondents' views on the positive and negative impacts of this source of funding and opinions on the factors that affect success and failure in fundraising activities.

### Finding 15: Control of how philanthropic funds for research are spent

Graph 15 shows that the most prevalent form of control over the expenditure of philanthropic funds for research, is one in which both donors and the universities make decisions together. This model of joint decision making occurs in 48% of institutions. In a third of cases (31%) the university takes sole, or primary control of the decisions regarding expenditure of philanthropic funds, and in just 5% of cases the ultimate control rests with the donor.



Graph 15: Prevalence of models for controlling how philanthropic funding is spent on research?

	<u>percentages (n=112)</u>
The donor	5
My institution	31
Donor and institution together	48
Don't know	16

However, it is important to note that there are lots of different ways in which joint decision-making takes place. Either the donor or the university could have initiated a funding venture and then retained control or passed the lead to the other partner, so further investigation is required in this area before any firm conclusions can be drawn regarding the ongoing and ultimate control of philanthropic funds.

**Finding 16: Ways in which philanthropic contributions are used to support research**

Table 16 sets out the variety of ways in which philanthropic contributions are used to support research activities in European universities. Most often (in 72% of cases) such funds are made available to specific departments and fields within institutions to enable them to undertake research. Almost as often, these funds are designated for new research projects (in 70% of cases). This supports the widely held view found in the literature that philanthropy is especially well suited for funding innovation, yet it raises questions about the extent to which philanthropy can fund the ongoing core costs of universities, given this apparent predisposition to fund novelty. Philanthropic funds are also frequently used to support PhD programmes and scholarships (64%) and are made available to specific individuals to perform research (62%). Less often, philanthropic support for research is used to fund research management and administrations (20%) or to pay for prizes rewarding research achievement and excellence (35%).

However, what is not known is whether these are what donors *want* to fund, or what is offered to them, which raises further questions about the relative impact of both donor preferences and fundraisers' preconceptions about what donors want.

	percentages (n=110)		
	Yes	No	Don't know
Funds are made available to all relevant staff to perform research	25	43	32
Funds are made available to specific departments/fields to undertake research	72	10	18
Funds are made available to specific individuals to perform research	62	17	21
Funds are designated for new research projects	70	6	24
Funds are used to employ new research chairs, fellowships and researchers	57	20	23
Funds are used to pay for prizes rewarding research achievements and excellence	35	40	25
Funds are used to support to PhD programmes and scholarships	64	17	19
Funds are used to purchase new research equipment	56	20	24
Funds are used to pay for other research infrastructure (e.g. new or refurbished research buildings)	39	39	22
Funds are used for research management and administration	20	57	23
Other, please specify	4	39	57

**Table 16: The variety of ways in which philanthropic contributions are used to support research in European universities**

## Finding 17: Positive and negative impacts of receiving philanthropic funding for research

Table 17 sets out respondents' views on both the positive and negative impacts of receiving philanthropic contributions to fund research and research-related activities.

	Percentages (n=107)		
	disagree to some extent	neutral	agree to some extent
Philanthropic funding results in greater autonomy in the choice of research topics	13	45	43
Philanthropic funding results in the opportunity to do more or better quality research in general	6	17	78
Philanthropic funding improves research equipment and infrastructure	4	23	73
Philanthropic funding enhances management and administration of research	20	50	31
Philanthropic funding enhances opportunities to attract new researchers or allow staff to develop research careers	2	18	80
Philanthropic funding results in greater ability to attract first class academic staff and students	5	27	69
Philanthropic funding enhances the image or standing of my university	3	24	73
Philanthropic funding results in a focus on research not in line with my institution's main research interests or priorities	43	38	19
Philanthropic funding results in a focus on short-term research at the expense of long-term research	53	34	13
Philanthropic funding results in less incentive to participate in international competitive research programmes	65	32	4
Philanthropic funding results in problems arising from the discontinuities associated with philanthropic research funding	28	52	21
Philanthropic funding results in IPR (Intellectual Property Rights) limitations imposed by sources of philanthropic funds	46	47	7
Philanthropic funding results in restrictions on the allocation of funds (e.g. to cover infrastructure costs)	27	50	23
Philanthropic funding results in the gradual substitution of public funding	46	35	20

**Table 17: Positive and negative impacts of receiving philanthropic funding for research**

Respondents state that the positive consequences of receiving funding from philanthropic sources include opportunities to do more or better quality research in general (78%); opportunities to attract new researchers and allows staff to develop their research careers (80%); to improve research equipments and infrastructure (73%); to attract 'first class' academic staff and students (69%); and to enhance the image or standing of the university (73%). Whilst fewer negative impacts were noted, respondents claimed that philanthropic contributions can result in problems due to the discontinuities associated with philanthropic research funding (21%) and can result in restrictions on the allocation of funds, for example to cover infrastructure costs (23%).



Despite widely held assumptions that philanthropic funding is an unmitigated good, there is no overwhelming consensus on the occurrence and extent of positive and negative impacts. As philanthropic funding can result in good and bad outcomes, we need to work harder at understanding the contexts in which these different experiences of receiving funding appear. For example, it would be useful to identify the types of research that are most likely to be associated with a positive experience of funding and whether some types of philanthropic funding are more or less likely to have positive consequences.

### **Finding 18: Factors that affect the success of efforts to secure funds for research**

The final finding in this section relates to the range of institutional factors that respondents feel have an impact upon the success or failure of universities to secure philanthropic funds for research purposes, as shown in table 18.

	percentages (n=105)			
	Negative factor	Neutral factor	Positive factor	Don't know
The autonomy of our institution	3	27	46	25
Levels of transparency and accountability in our institution	10	28	44	19
Commitment of senior academic leaders to fundraising activities	11	12	60	16
Commitment of other research staff to fundraising activities	14	24	49	13
Commitment of administrative staff to fundraising activities	12	31	41	16
Existing structures for raising philanthropic funding in general	20	29	32	20
Specific strategies for raising philanthropic funding for research	8	26	45	21
Our institution's existing relationships with philanthropic sources	4	22	56	18
Our institution's existing fiscal, legal and regulatory frameworks	15	37	26	22
General macroeconomic conditions	31	29	15	26
General fiscal, legal and regulatory framework in our country	30	29	18	24
General cultural attitudes to philanthropy in our country/ region	44	25	14	17
Government schemes to promote philanthropy (e.g. the provision of matching funds)	14	31	38	17

**Table 18: Factors affecting the success and failure of efforts to raise funds for research**

Only two factors *within* universities are held by a majority of the respondents to make a crucial contribution to successful fundraising for research: the commitment of senior academic leaders to fundraising activities (60%) and institutions' existing relationships with philanthropic sources (56%). The importance of the former factor stands in contrast to finding 20 in the next section, which shows that on the whole, universities do not feel their academic staff are committed to fundraising activities. The importance attributed to existing relationships with funders as a route to ongoing fundraising success, underlines the point made throughout this report that accumulative advantage is a key, if hitherto largely overlooked, factor.

Just under half of respondents (49%) felt that the commitment of other research staff to fundraising activities was a positive factor, and other factors viewed by almost half of respondents as having a positive effect on the success of fundraising activities were institutional autonomy (46%), having specific strategies for raising philanthropic funding for research (45%) and being transparent and accountable (44%).

Almost a half (44%) felt that cultural attitudes to philanthropy could have a negative effect on efforts to fundraise, and around a third viewed general macro-economic conditions and the general legal, fiscal and regulatory framework as holding similar negative potential.

However it is important to reiterate that for any given factor there is a spread of responses from positive to negative. The range of views expressed in relation to these different factors illustrates that there is no settled opinion on these issues within the university sector.

In addition to the 'closed' questions (where respondents are invited to tick boxes to indicate their answers) regarding the positive and negative factors that affect the success of efforts to secure funds for research, the survey also included an open question (C3) which asked, 'Please use the space below to add any further information about your strategy for successfully raising funds for research from philanthropic sources'. Twenty two respondents provided usable answers, and the full list of responses to this question are provided in Appendix E. Common responses referred to efforts to fundraise from alumni, to develop a strategy for fundraising which fits with the institution's wider strategic plans and to centralise fundraising activities. Other respondents described efforts to package their

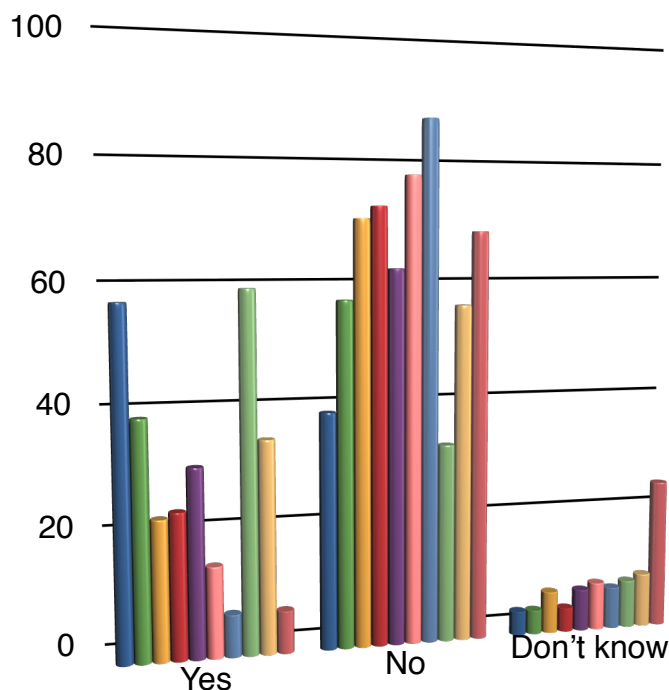
requests for support in ways that would appeal to different types of donors, making efforts to encourage academic staff to engage with fundraising activities, and developing systems for communicating with, and rewarding, those who make donations.

## Findings Section 6: The organisation of fundraising activities

The final section of findings is concerned with the internal organisation of fundraising activities within European universities.

### Finding 19: Allocation of responsibility for philanthropic fundraising

Graph 19 shows that the task of raising funds from philanthropic sources can be allocated to various people and departments within universities, and many respondents indicate that this responsibility is shared and carried out within numerous parts of the institution. By a small margin, this task is most frequently the responsibility of individual research staff members (in 59% of universities), but development offices are close behind, taking some responsibility in 57% of cases. Despite the relative lack of success in raising funds from alumni (as demonstrated in Finding 4), an alumni office is the next most common method for handling fundraising activities (in 39% of cases). Volunteers help to raise funds in around a third of universities (35%) and external professional consultancies are only utilised in a minority of cases (7%).



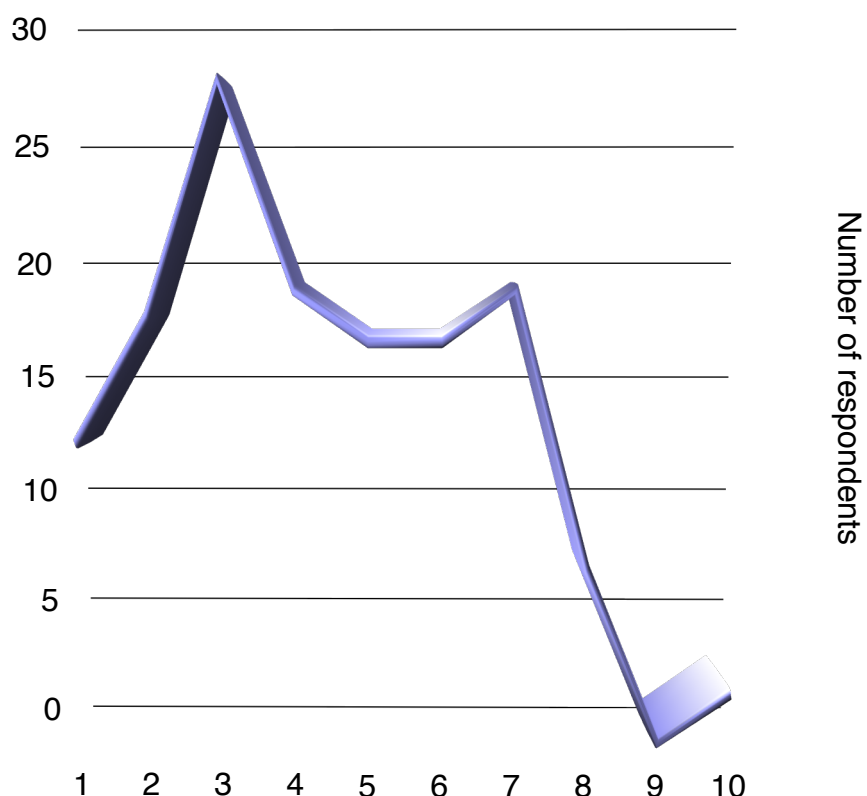
Graph 19: The allocation of fundraising activities from philanthropic sources

- By a general university development office
- By an alumni office
- By an industrial liaison office
- By a special philanthropic fundraising unit within your own institution
- By a dedicated foundation within your own institution
- By collaborating with a foundation outside your own institution
- By external, professional fundraising organisations
- By individual research staff members
- With the help of volunteers (e.g. students)
- Other (please specify)

	Percentages (n=141)		
	Yes	No	Don't know
By a general university development office	57	39	4
By an alumni office	39	57	4
By an industrial liaison office	23	70	7
By a special philanthropic fundraising unit within your own institution	24	72	4
By a dedicated foundation within your own institution	31	62	7
By collaborating with a foundation outside your own institution	15	77	8
By external, professional fundraising organisations	7	86	7
By individual research staff members	59	33	8
With the help of volunteers (e.g. students)	35	56	9
Other (please specify)	7	68	25

### Finding 20: Level of investment in fundraising activities

Graph 20 illustrates how well respondents feel their fundraising activities are resourced, both in terms of financial and human resources. On average, respondents feel this activity is under-resourced, with a median response of 4 (on a scale of 1-10). The range of responses indicates that fundraising is particularly under-resourced in some institutions (being rated as just 1, 2 or 3 out of 10), whilst other institutions feel they are very well resourced (being rated as 8, 9 or even 10 out of 10).



**Graph 20: Perceptions of the adequacy of resourcing of fundraising activities, where 1='not at all' and 10= 'very'.**

Mean= 4.4

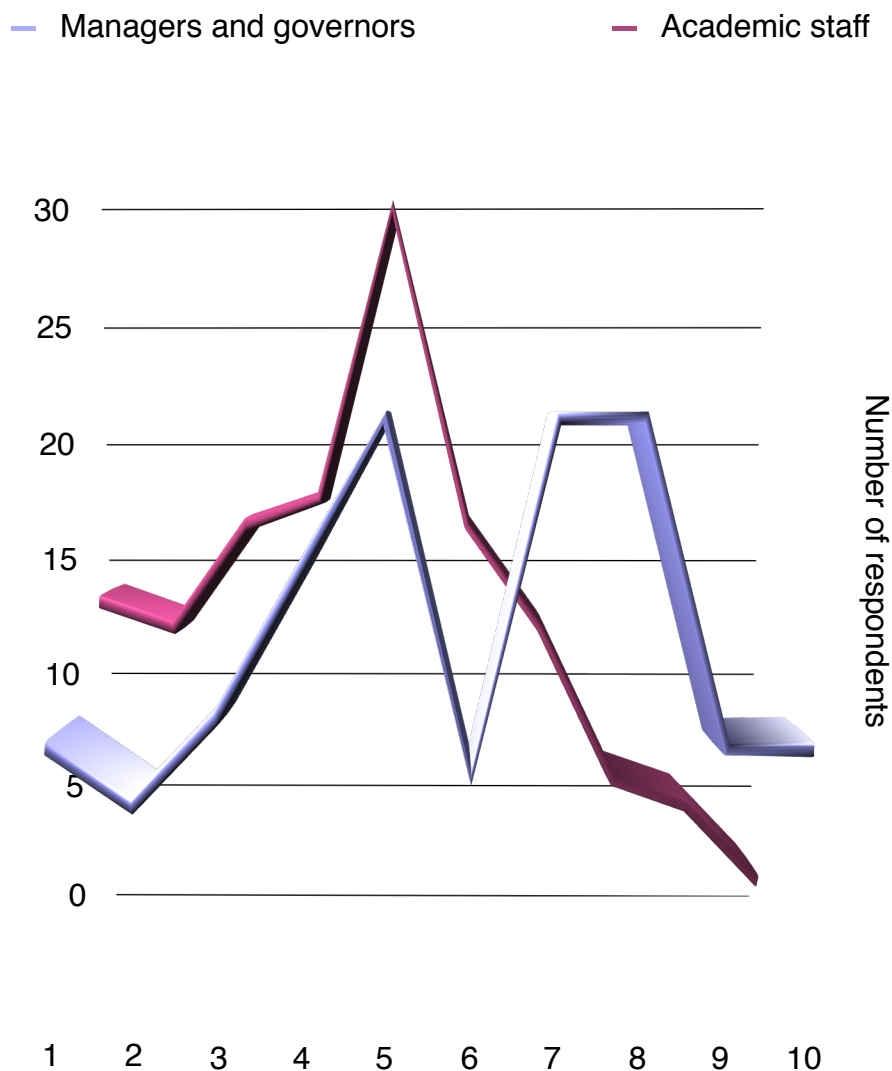
Median= 4

N=141

### Finding 21: Perceptions of institutional commitment to fundraising activities

Graph 21 contains two findings: perceptions of the commitment of the management and governance of universities (blue line), and perceptions of the commitment of the academic staff (red line), to the task of fundraising from philanthropic sources. Respondents felt, on the whole, that managers and governors were more committed to fundraising activities, and very few universities rated the commitment of their academic staff as higher than 6 out of 10.

Whilst the range of responses indicates that there is no consistent experience in this area, this finding indicates that there may exist a clash of cultures between fundraisers, managers and academics regarding the desirability of spending time and money seeking philanthropic funding.



Graph 21: Perceptions of the commitment of managers and governors, and of academic staff to fundraising activities, where 1='not at all' and 10= 'very'

### Perceived commitment of managers and governors

N= 138

Mean= 5.8

Median= 6

### Perceived commitment of academic staff

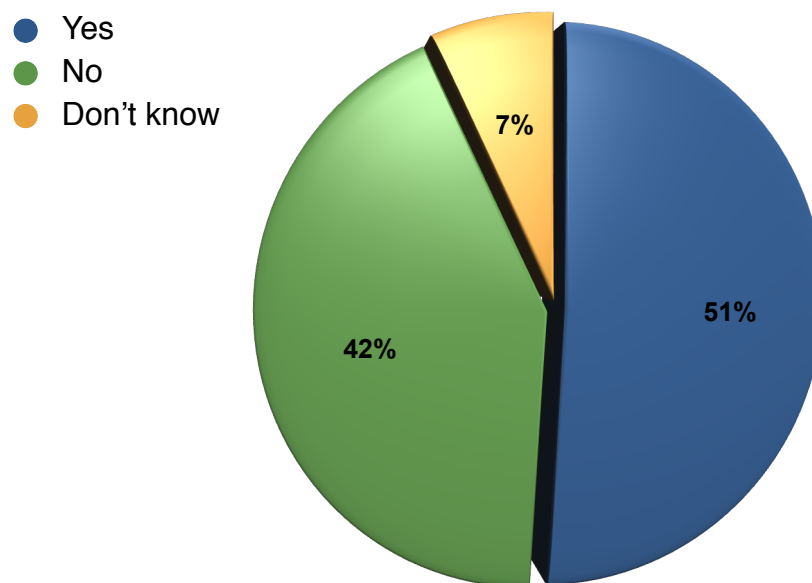
N= 138

Mean= 4.7

Median= 5

### Finding 22: Presence of a formal policy on fundraising

Graph 22 illustrates that most universities (51%) claim to have some sort of formal policy relating to fundraising activities, though just less than half (42%) have no such formal policy, whilst the remaining 7% report being unsure of whether or not there is a formal policy for fundraising in their institution.



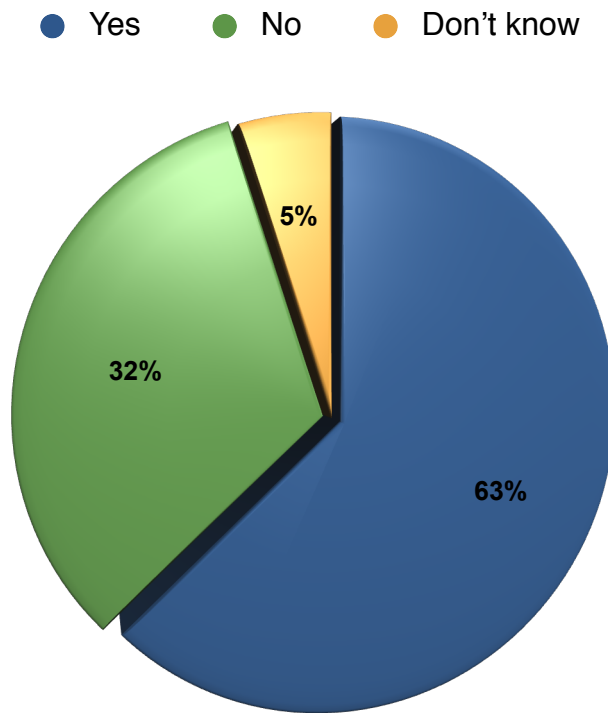
**Graph 22: Percentage of universities having a formal policy on fundraising activities**

	Percentages (n=138)
Yes	51
No	42
Don't know	7



**Finding 23: Presence of formal systems to report on, and measure, fundraising activities**

Despite only just over half of respondents having a formal fundraising policy, as illustrated in Finding 22, a larger percentage (63%) have in place some sort of system for reporting on fundraising activities and measuring their outcomes, as shown in Graph 23. However, a third (32%) have no such measures in place.



**Graph 23: Percentage of universities that report on, and measure, fundraising activities**

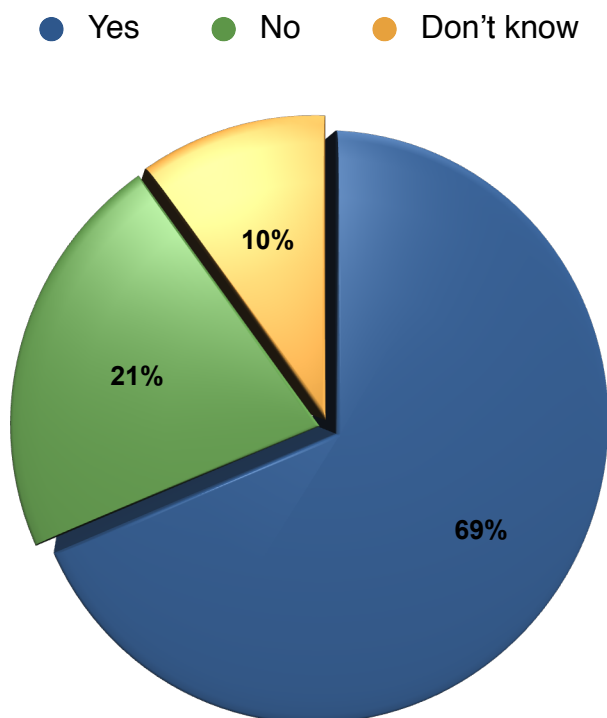
---

	percentages (n=103)
Yes	63
No	32
Don't know	5

---

**Finding 24: Presence of differentiated strategies for different types of donor**

Graph 24 illustrates that over two thirds of universities (69%) have in place differentiated strategies for working with different types of donors, such as alumni, charitable foundations and corporations. Only one in five (21%) do not differentiate their activities according to the different types of donor they are dealing with.



**Graph 24: Percentage of universities that have differential strategies in place to deal with different types of donors**

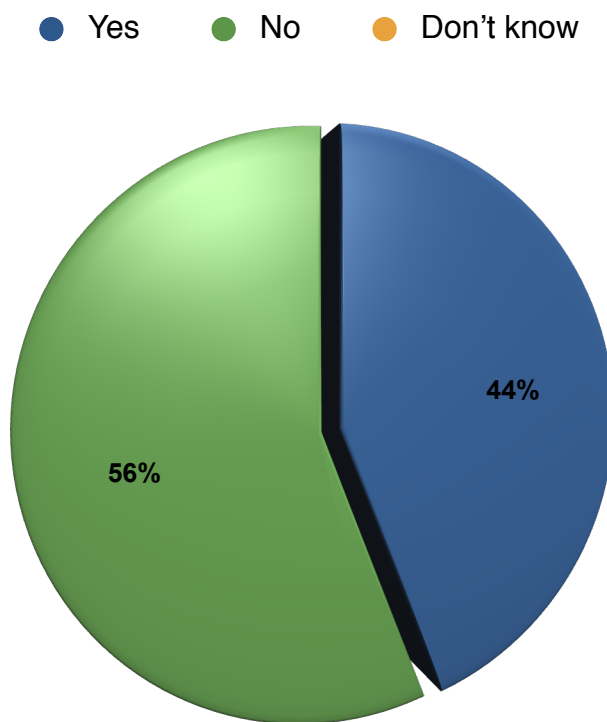
---

	In percentage (n=103)
Yes	69
No	21
Don't know	10

---

### Finding 25: Presence of specialist fundraising staff

Despite nearly two thirds of respondents having differentiated strategies for dealing with different types of donors, Graph 25 shows that fewer than half of universities (44%) employ staff who specialise in approaching different types of donors.

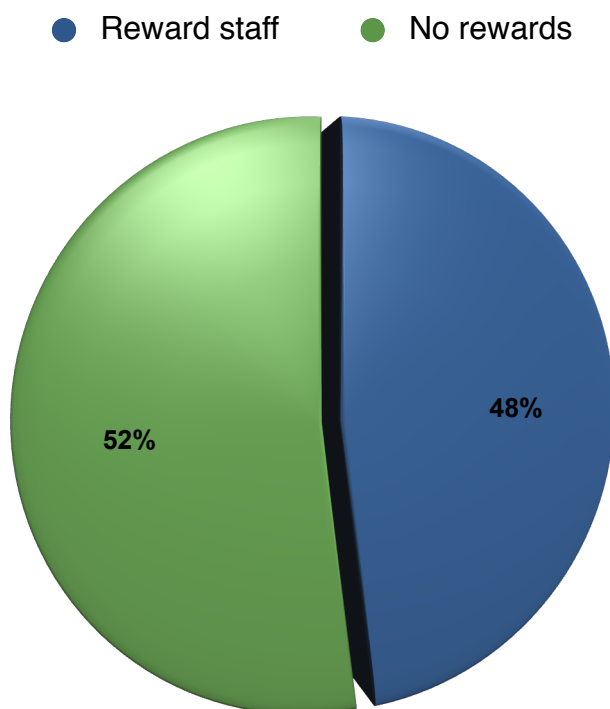


**Graph 25: Percentage of universities that employ fundraising staff to specialise in fundraising from different types of donor**

	percentages (n=103)
Yes	44
No	56
Don't know	-

### Finding 26: Rewarding staff for attracting philanthropic donations

Graph 26a shows that almost half of universities (48%) offer rewards to their staff in return for success in attracting philanthropic donations.

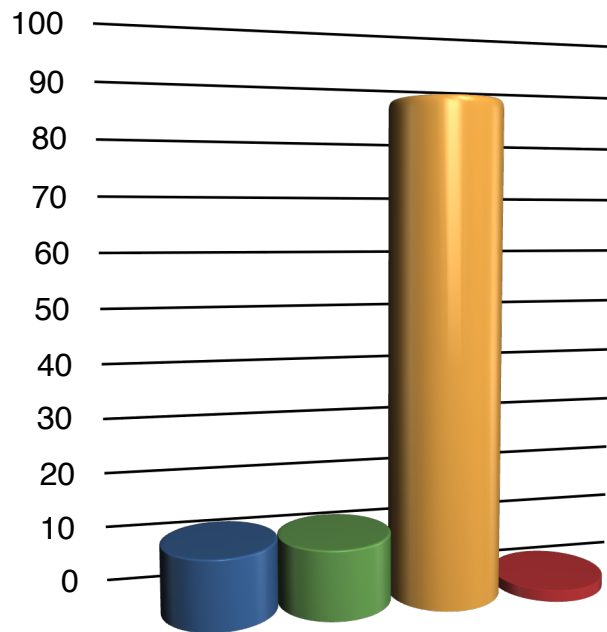


Graph 26a: Percentage of universities that reward staff for attracting donations

	percentages (n=103)	N
Reward staff	48%	49
Do not reward staff	52%	54

However, as graph 26b shows, in those cases where rewards are offered, the vast majority (86%) relate to 'praise and recognition' rather than material benefits. Only 12% offer a financial reward and the same number (12%) claim that fundraising achievements are a factor in decisions regarding promotions, and presumably higher salaries. The minimal rewards available for staff who attract philanthropic donations is at odds with finding 17 that staff commitment is believed to be the most significant internal factor behind fundraising success (a view held by 60% of respondents). The dominance of rewards in the form of 'warm words' may be insufficient to motivate staff and the benefits of introducing more substantial incentives may be a useful route to explore further.

- Financial reward (either salary increase or bonus)
- Factor in promotion decisions
- Praise and recognition
- Other types of reward



**Graph 26b: The nature of rewards offered to staff for attracting philanthropic donations.**

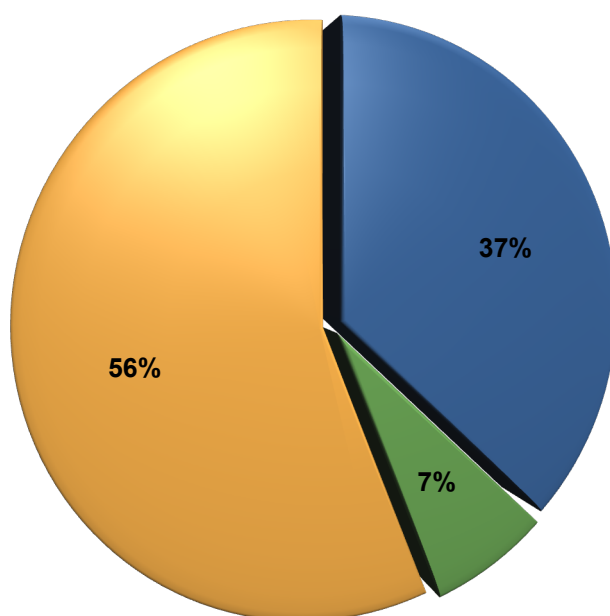
	percentages	N
Yes, with a financial reward (either salary increase or bonus)	12	6
Yes, successful fundraising is a factor in promotion decisions	12	6
Yes, with praise and recognition	86	42
Yes, other types of reward (please indicate)	2	1
No	52	54

NB: Percentages don't add up until 100 because more than 1 answer is possible

### Finding 27: Focus of fundraising strategy on size of donations

Graph 27 shows that most universities (56%) place equal emphasis on securing both larger and smaller philanthropic donations. However, a significant percentage (37%) focus primarily on securing a small number of larger gifts. Only 7% report that their main efforts are concentrated on securing a large number of smaller gifts. This finding opens up the question of what the money is intended to be used for, as different kinds of research costs different amounts of money. It would be useful to delve deeper to find out if every kind of research is being facilitated by philanthropic funding, or whether it is concentrated in expensive areas, such as laboratory-based scientific research.

- Securing a small number of large gifts
- Securing a large number of small gifts
- Equal focus on both large and small gifts

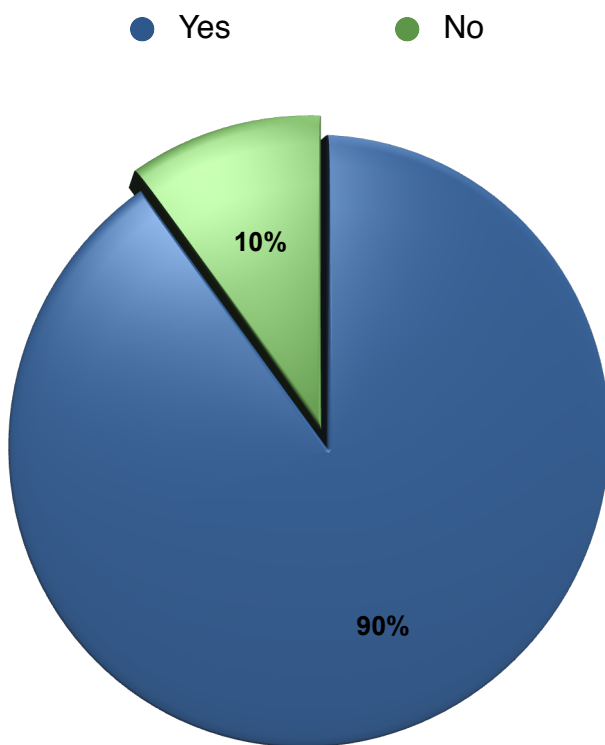


**Graph 27: Focus of fundraising strategy in relation to size of donations sought**

	Percentages (n=103)
Securing a small number of large gifts	37
Securing a large number of small gifts	7
Equal focus on both large and small gifts	56

### Finding 28: Prevalence of recognition for donors

Almost all universities (90%) offer some form of recognition to donors that provide philanthropic support to their institutions. Whilst it is clearly best practice to offer such recognition, it is interesting to note that almost one in ten of respondents (9%) fail to offer any such recognition.



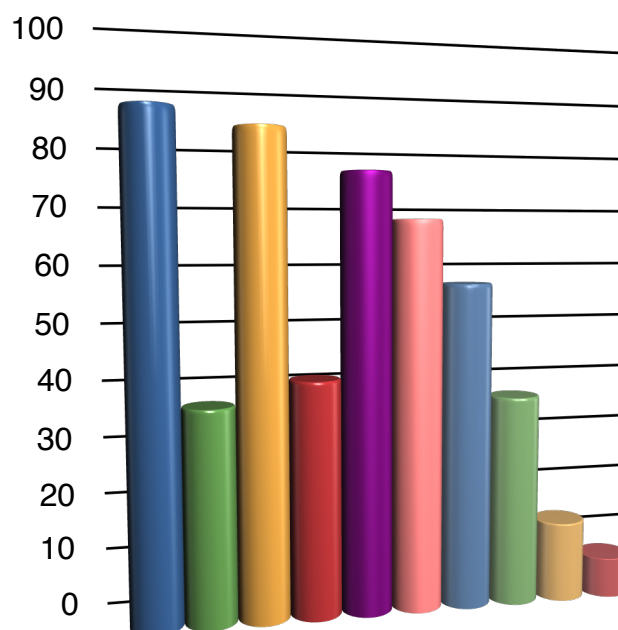
**Graph 28: Percentage of universities that offer recognition to donors who support their institution**

	In percentage (n=104)
Yes	90
No	10

### Finding 29: Forms of recognition offered to donors

In those cases where donor recognition occurs, Graph 29 shows the range and prevalence with which different types of recognition are offered to donors who provide philanthropic support to European universities. Multiple forms of recognition occur within the same institutions, with the specific form in any given case likely to be related to the size of donation made. The most popular forms of recognition are a thank you letter from a senior member of the university (86%), invitations to events held for donors (83%) and donors' names being displayed within relevant literature or in a relevant place (76% and 68% respectively). Less frequently, universities recognise the contributions made by donors by providing awards (14%), using the donors' name in the title of an institution (37%) and offering membership of a club or scheme for supporters (78%)

- Personalised thank you letter from a senior member of the university
- Membership of a club or scheme for supporters
- Invitation to events for donors
- Donor invited to join a committee or other special group
- Donor's name displayed within relevant literature
- Donor's name displayed in a public place
- Donor's name used in title of post funded (e.g. Smith Chair of Physics)
- Donor's name used in title of institution funded (e.g. Smith Physics Centre)
- Awards for donors
- Other (please specify)



Graph 29: Prevalance of different forms of donor recognition

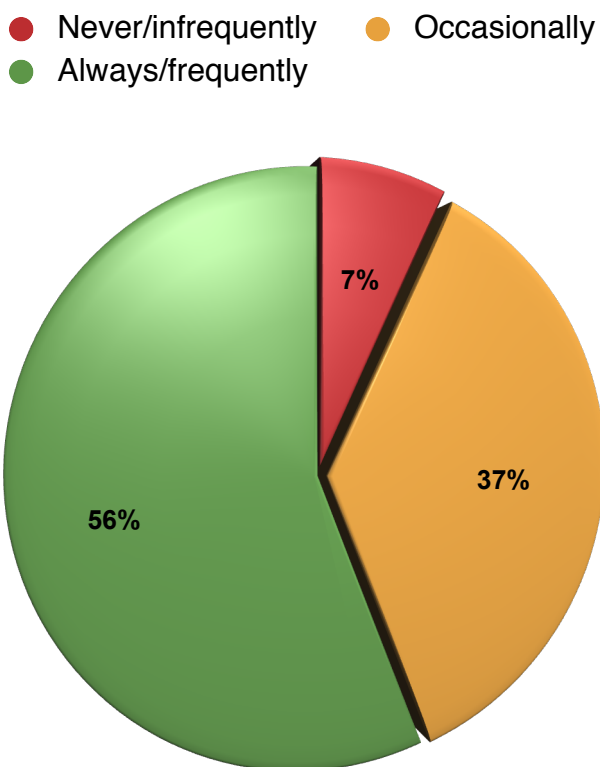


	percentages	N
Personalised thank you letter from a senior member of the university	86	81
Membership of a club or scheme for supporters	37	35
Invitation to events for donors	83	78
Donor invited to join a committee or other special group	41	39
Donor's name displayed within relevant literature	76	71
Donor's name displayed in a public place	68	64
Donor's name used in title of post funded (e.g. Smith Chair of Physics)	57	54
Donor's name used in title of institution funded (e.g. Smith Physics Centre)	37	35
Awards for donors	14	13
Other (please specify)	7	7

NB: Percentages don't add up until 100 because more than 1 answer is possible

### Finding 30: Keeping donors informed about outcomes and impact

Graph 30 shows that most universities (56%) keep their donors informed about the outcomes and impact of their philanthropic contributions. Whilst this finding shows that good practice is prevalent, a third (37%) report that they only occasionally make the effort to keep donors informed, whilst 7% never, or infrequently, manage to do so. This finding indicates that the university sector could make further progress towards best practice in this area of maintaining ongoing, mutually-beneficial relationships with donors.



**Graph 30: Percentage of universities that keep donors informed about the outcomes and impacts of their gift**

---

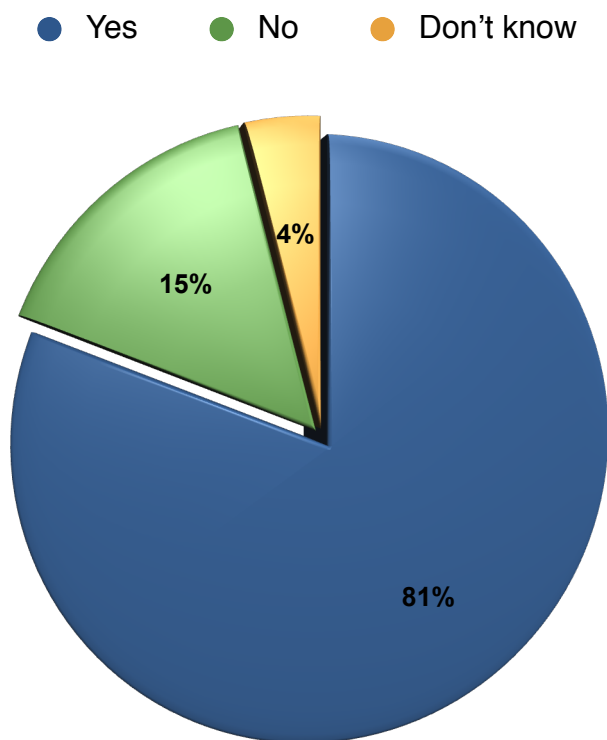
	percentages (n=103)
Never/infrequently	7
Occasionally	37
Always/frequently	56

---

**Finding 31: Production of materials to attract donors**

Graph 31 shows that most universities (81%) produce materials, such as leaflets and brochures, or maintain a website, in order to attract potential philanthropic donors.

However a substantial minority (15%) do not produce such materials.



**Graph 31: Percentage of institutions that produce materials to attract donors**

---

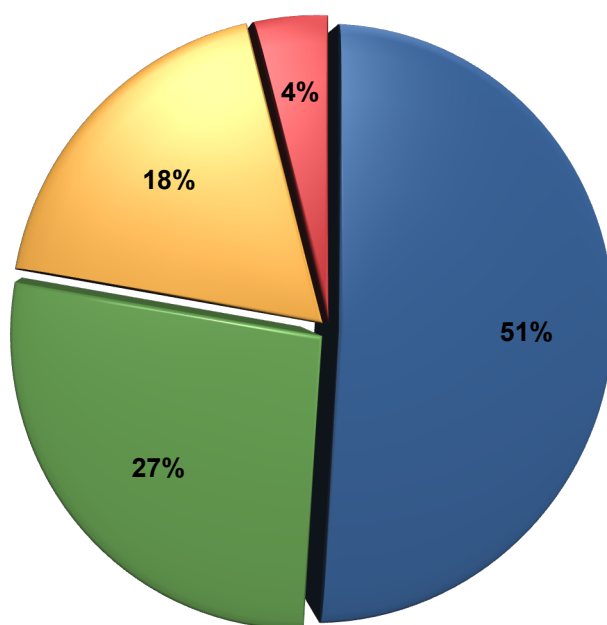
	Percentages (n=103)
Yes	81
No	15
Don't know	4

---

### Finding 32: Use of a database to manage relationships with donors

The final finding concerns the use of a specialised database to deal with donors and potential donors. Just over half of respondents (51%) report that they have invested in setting up such a database, and a further quarter (27%) state that they do not yet have one in place but are working on it. However, 18% do not have, nor plan to have, this basic tool for donor management.

- Yes
- Not yet, but we're working on it
- No
- Don't know



**Graph 32: Percentage of universities that have a database to manage relationships with donors and potential donors**

	In percentage (n=103)
Yes	51
Not yet, but we are working on it	27
No	18
Don't know	4

## Findings relating to universities that have not received contributions from philanthropic sources

Only eight respondents indicated that they have not received any income at all from philanthropic sources. Of these, only two institutions indicated that they intend to seek philanthropic income in the future. Whilst no statistically significant conclusions can be drawn from such a small sample, table 33 presents the reasons given by these institutions.

	numbers (n=8)		
	disagree to some extent	neutral	agree to some extent
We did not make any efforts to raise funds from philanthropic sources	2	2	4
Our fundraising activities are not sufficiently resourced	3	2	3
There is a lack of interest and commitment by senior administrative and research staff	4	3	1
There is a lack of adequate internal strategies and structures to pursue philanthropic funding	2	2	4
There is a lack of familiarity with sources of philanthropic funding	2	3	3
There is an unfavourable tax, legal and regulatory frameworks in our country	4	3	1
There are unfavourable macroeconomic conditions	3	3	2
There are unfavourable cultural attitudes to philanthropy in our country/region	3	2	3

**Table 33: Self-reported reasons for non-receipt of philanthropic donations**

Half of these eight respondents agreed that they had not received any contributions from philanthropic sources because they had not made any efforts to fundraise, and half also agreed that a lack of adequate internal strategies and structures hampered their efforts to pursue philanthropic funding. The next most common reasons given for not receiving funds from philanthropy were a lack of resourcing of fundraising activities and a lack of familiarity with sources of philanthropic funding. Only one respondent agreed that lack of interest and commitment by senior administrative and research staff was affecting their chance of receiving funds, and only one respondent agreed that external factors - such as

unfavourable tax, legal and regulatory frameworks - constituted a barrier. However, three of the eight respondents cited cultural attitudes to philanthropy as a problem in pursuing donations.

Eleven respondents reported that, whilst their institutions are in receipt of philanthropic funding for general purposes, they have not allocated any of this income for research activities. Of these, six indicated that they would seek to raise funds for research in the future and only one reported having no intention to seek philanthropic funds for this purpose. The remaining four institutions were unsure of their intentions in this area. Again, this sample is extremely small but, for information, table 34 presents the self-reported rationale behind this decision.

	Numbers (n=11)		
	disagree to some extent	neutral	agree to some extent
No philanthropic contributions for research were received by our institution	2	-	9
We did not make any efforts to raise funds from philanthropic sources for research	4	1	6
We have more important alternative uses for philanthropic contributions	5	3	3
We have enough funding for research from alternative sources	9	-	2
There are legal or regulatory barriers to the allocation of contributions to research	7	2	2

**Table 34: Reasons for not allocating philanthropic funds for research**

The most popular reason for not allocating philanthropic funds for research, cited by most (9 of the 11 respondents) was that their institution did not receive any funds for this purpose. Just over half (6 of the 11) reported that they did not make any efforts to raise funds from philanthropy for research. Only two or three respondents agreed that they did not want or need philanthropic contributions to fund research, and only two felt that legal or regulatory barriers prevented them from allocating philanthropic contributions to research.

Finally, table 35 presents the reasons given by the ten institutions that have not actively sought to raise philanthropic funds for research. The most common responses refer to under-investment in fundraising and lack of familiarity with sources of philanthropic funding. Unfavourable macro-economic conditions were cited by over half (6 out of 10) of those who have not actively sought to raise philanthropic funds for research and half (5 out of 10) refer to a lack of interest and commitment by senior administrative and research staff, and a lack of adequate internal strategies and structures.

	Numbers (n=11)		
	disagree to some extent	neutral	agree to some extent
Our fundraising activities are not sufficiently resourced	2	2	7
We are too preoccupied with raising funds for activities other than research	3	5	3
We are too preoccupied with raising funds for research from non-philanthropic sources	4	4	3
There is a mismatch between the priorities of our institution and sources of philanthropic funds for research	7	2	2
IPR (Intellectual Property Rights) imposes limitations on fundraising from philanthropic sources	3	7	1
There is a lack of interest and commitment by senior administrative and research staff	5	1	5
There is a lack of adequate internal strategies and structures to capture philanthropic funding	4	2	5
There is a lack of familiarity with sources of philanthropic funding	2	2	7
There are unfavourable tax, legal and regulatory frameworks in our country	2	7	2
There are unfavourable macroeconomic conditions	1	4	6
There are unfavourable cultural attitudes to philanthropy in our country/region	2	5	4

**Table 35: Reasons for not actively seeking philanthropic funds for research**

# Chapter 3

## Success in European universities' fundraising activities

### Introduction

This chapter focuses on the factors identified in our survey that relate to success in fundraising from philanthropy in European universities. However, it is important to note that 'success' is a complex concept. Success can be measured in objective terms with reference to the absolute value of funds raised, or in subjective terms with reference to institutions' satisfaction with the outcomes they achieve.

Objective measures of success are an attractive but potentially misleading measure, and certainly cannot provide a comprehensive account. For example, the smallest European universities are unlikely to be in receipt of the highest amounts of philanthropic funds, even though the amounts they raise may make a significant contribution to their overall income.

Success is also relative to the stage of development of the philanthropic culture in any given country. For example, 'success' in the UK is probably different from 'success' in a country such as the Netherlands, where universities have only recently made a start in terms of raising funds from philanthropic sources. Universities which have only just begun to fundraise may evaluate themselves as successful as a result of receiving a relatively small contribution, because they perceive it to be the start of a potentially fruitful and long-term relationship with donors.

As it is important to take both sides of success into consideration, this chapter is divided into two sections. The first considers assessments of 'relative success' in terms of reported levels of satisfaction with fundraising efforts and outcomes. The second explores the factors that lie behind 'absolute success' in terms of the actual amounts of money that institutions have raised from philanthropic sources for research.



In both sections, the findings are divided into five sub-sections relating to different aspects that potentially have an impact on the success of fundraising outcomes, as follows:

1. Type of philanthropic donor (alumni; wealthy individuals; charitable trusts and foundations; private corporations)
2. The efforts made by universities (e.g. frequency of trying to raise funds)
3. The internal structures and strategies in place within universities (e.g. the commitment of management; the degree of investment in fundraising)
4. The presence or absence of accumulative advantage (e.g. pre-existing links with donors)
5. The external factors within the region or nation state in which universities are located (e.g. macro-economic conditions; cultural attitudes towards philanthropy)

# Section 1:

## Relative success in raising philanthropic funds

### Methodology

We have created a composite variable to identify subjective perceptions of success in raising funds from philanthropy for research. This composite variable is based on responses to questions concerning:

- Perception of success in general fundraising efforts
- Perception of success in fundraising efforts for research
- The receipt of philanthropic contributions for general purposes
- Having received and used philanthropic contributions to fund research

The total sample of institutions (n=164) was divided into 3 distinct groupings that reflect their self-reported levels of efforts and success, according to the following criteria:

#### 1. Successful institutions

Successful institutions are those that appear in the top 25% of HEIs in terms of success in fundraising efforts in general and in the top 25% in terms of success in fundraising efforts for research; that receive contributions for general purposes from at least one type of donor (alumni, wealthy individuals, charitable trusts and foundations, private corporations or other); and that are actively using philanthropic contributions to fund research and research-related activities.

By this criteria, 27 institutions in our sample were found to be 'successful'.

Almost half (13) are located in the UK, two are located in each of Germany and the Netherlands, and one is located in each of the following countries: Austria, Belgium, Czech Republic, Denmark, Finland, Greece, Ireland, Italy, Spain and Sweden.

#### 2. Moderately Successful institutions

Moderately successful institutions are those that appear between the 25th and 75th percentiles of HEIs in terms of success in fundraising efforts in general and are between the 36th and 75th percentile in terms of success in fundraising efforts for research; that receive contributions for general purposes from at least one type of donor (alumni,

wealthy individuals, charitable trusts and foundations, private corporations or other); and that are actively using philanthropic contributions to fund research and research-related activities.

By this criteria, 37 institutions in our sample were found to be 'moderately successful'. Of these, 7 are located in the UK; 4 are located in each of Italy, the Netherlands and Sweden; 3 in France; 2 each in Lithuania, Portugal and Spain and one each in Austria, Belgium, Bulgaria, Czech Republic, Denmark, Finland, Latvia, Poland and Romania.

### 3. Not successful institutions

All other institutions in our sample are categorised as 'not successful'.

By this criteria, 100 institutions in our sample were found to be 'unsuccessful'.

Having identified these three different 'success' categories, we then explored the relationships between all other variables gathered in our survey, in order to identify which have a bearing on fundraising outcomes.

# Findings: the factors that lie behind ‘relative success’

## 1. Type of philanthropic donor and ‘relative success’

As Table 1 shows, the more likely a university is to describe itself as successful, the higher the likelihood that it has received contributions from all types of donors. It is important to note that every university classified as ‘successful’ in subjective terms is in receipt of donations from charitable trusts and foundations, which indicates that this is a crucial source of philanthropic income.

	Not successful (n=100)	Moderately successful (n=37)	Successful (n=27)	Statistical evidence
Alumni	42%	51%	78%	$X^2 = (2, n=164) 10,9$ $p < .01$
Wealthy individuals	42%	60%	93%	$X^2 = (2, n=164) 22,4$ $p < .001$
Charitable trusts and Foundations	48%	87%	100%	$X^2 = (2, n=164) 34,9$ $p < .001$
Corporations	54%	92%	93%	$X^2 = (2, n=164) 26,6$ $p < .001$

**Table 1: Relation between the type of philanthropic donor and relative success**

## 2. Efforts made by universities and ‘relative success’

Just as ‘success’ is a complex concept, so ‘effort’ can also be understood in a multitude of ways. Our survey explored three different aspects of efforts that can be made by universities: efforts to raise funds in general, efforts to raise funds for research and frequency of efforts.

In order to be classified as an institution making serious efforts, universities had to make efforts to raise funds from at least three philanthropic sources and they had to indicate that they ‘frequently’ seek philanthropic funding for research projects.

As table 2 shows, we find a strong relationship between the extent of efforts made by universities and their subsequent success in raising funds from philanthropic sources.

	Not successful (n=100)	Moderately successful (n=37)	Successful (n=27)
No or minimal efforts	89%	70%	30%
Serious efforts	11%	30%	70%
	100%	100%	100%

$\chi^2(2, N = 164) = 40.5, p .001, \text{one-sided}$ )

**Table 2: Relation between the efforts made by universities and ‘relative success’**

The relationship between efforts and degree of success in fundraising outcomes holds across all types of donor. The strongest relation between efforts and outcomes exists in relation to efforts made to raise funds from charitable trusts and foundations and from wealthy individuals.

However, it is interesting to note that it is possible to achieve success without making substantial efforts, as is the case for 30% of the ‘successful’ institutions and 70% of the ‘moderately successful’ institutions. Therefore, whilst ‘effort’ is a relevant variable, it is by no means a wholly adequate factor for explaining success.

### **3. Internal structures and strategies in place within universities and relative success**

We examined ten variables relating to the internal structures and strategies that exist within universities in order to identify how they relate to fundraising success. Of these ten variables, six were found to have a significant relationship to eventual success in fundraising activities. The variables with the highest impact are:

1. The perceived commitment of the management and governance of an institution
2. The perceived commitment of its academic staff.

The four other variables that were also found to have a relationship with self-perceived or relative assessments of fundraising success are:

3. Rewarding staff for success in attracting philanthropic donations
4. The production and use of materials for fundraising purposes, such as a website, leaflets and brochures.
5. The use of a database to maintain and update records on interactions with donors
6. Investment, in terms of financial and human resources, into fundraising activities

Four variables relating to internal structures and strategies were found to have no significant relationship to fundraising outcomes, as follows:

1. Having a formal policy on fundraising activities
2. Using differentiated strategies for approaching different types of donors
3. Employing specialist fundraising staff to work with different types of donors
4. Offering recognition to donors

Table 3 summarises the presence and absence of relationships between the ten variables and success in fundraising. It is somewhat surprising that no relationship is found between the level of subjective success achieved in fundraising activities and many factors that are often assumed to be essential, such as the formalisation of internal structures and strategies (for example having a formal policy on fundraising or having different fundraising strategies).

	Relationship with relative fundraising success + = positive significant relation 0 = no significant relation	Statistical evidence
Presence of formal fundraising policy	0	
Financial and human resourcing of fundraising activities	+	$R^2 = .27, p < .001$
Commitment of management & governance	+	$R^2 = .41, p < .001$
Commitment of academic staff	+	$R^2 = .40, p < .001$
Reward staff for attracting philanthropic donations	+	$\chi^2(2, N = 164) = 22, p < .001, \text{one-sided}$
Use a database	+	$\chi^2(2, N = 99) = 7.2, p < .05, \text{one-sided}$
Have differentiated fundraising strategies	0	
Have specialist fundraising staff	0	
Produce fundraising materials	+	$\chi^2(2, N = 100) = 6.7, p < .05, \text{one-sided}$
Offer formal recognition of donors	0	

**Table 3: Relation between internal structures and strategies in place within universities and relative success**

However, as with the findings related to efforts (described above) it is important to note that variable experiences of success exist in the presence of all types of internal structures and strategies. For example, as the following three tables demonstrate, some degree of success is possible in the absence of the use of fundraising materials, the use of a database and rewards for staff.

	Not successful	Moderately successful	Successful
Using no materials	21%	22%	0
Using materials	79%	78%	100%
	100%	100%	100%

$$\chi^2(2, N = 100) = 6.7, p .05, \text{one-sided}$$

**Table 4: Relation between use of fundraising materials and relative success**

	Not successful	Moderately successful	Successful
No use of database	53%	59%	26%
Use of database	47%	41%	74%
	100%	100%	100%

$\chi^2(2, N = 99) = 7.2, p .05, \text{one-sided}$

**Table 5: Relation between use of a fundraising database and relative success**

	Not successful	Moderately successful	Successful
Not rewarding staff	82%	62%	37%
Rewarding staff	18%	38%	63%
	100%	100%	100%

$\chi^2(2, N = 164) = 22, p .001, \text{one-sided}$

**Table 6: Relation between offering rewards to staff and relative success**

Therefore, whilst some variables relating to internal structures and strategies are relevant, they do not offer a wholly satisfactory explanation of eventual fundraising success.



We also focused on some other variables related to the internal structures that have been put in place to raise funds and the level of fundraising success. Universities organise their fundraising activities in different ways, for example this activity may be led by an alumni office, a general university development office or by a dedicated foundation within the institution. Table 7 illustrates which of these approaches is the most successful

	Ranking of 'most successful in fundraising'
With the help of volunteers (e.g. students)	1
By an alumni office	2
By a general university development office	3
By an industrial liaison office	4
By a dedicated foundation within your own institution	5
By collaborating with a foundation outside your own institution	6
Other	7
By external, professional fundraising organizations	8
By a special philanthropic fundraising unit within your own institution	9
By individual research staff members	10

1= the highest ranking and 10=the lowest ranking

**Table 7: Relation between the organization of fundraising activities and relative success**

However, it is important to note that significant statistical relations exist regarding the first 3 ways of organizing fundraising (with the help of volunteers, by an alumni office and by a general university development office), whereas no significant statistical relations were found for the other ways.

Two aspects of this finding are striking: firstly that raising funds with the help of volunteers seems to offer the highest chance of success, and secondly that using an external, professional fundraising organisation does not appear to result in a high degree of success. However, it is important to note that the precise nature and direction of the relationship between these factors is not clear. It may be that the most successful universities only use volunteers once their success is established, and it may be that universities only turn to external consultants once their own efforts have resulted in failure, therefore these factors might be symptoms rather than causes of differential degrees of success.

#### 4. The presence or absence of accumulative advantage and relative success

We explored two variables relating to the accumulative advantage that may - or may not - be enjoyed by universities, in order to identify how they relate to fundraising outcomes.

These two variables are:

- Pre-existing links with donors
- The existence of a historic endowment

We found that both these variables have a significant relationship with eventual success in fundraising activities, as the following tables demonstrate:

	Not successful (n=100)	Moderately successful (n=37)	Successful (n=27)
No pre-existing links with donors	70%	24%	-
Pre-existing links with donors	30%	76%	100%
	100%	100%	100%

$\chi^2(2, N = 164) = 52.61, p .001, \text{one-sided}$ .

**Table 8: Relation between pre-existing links with donors and relative success**

	Not successful (n=100)	Moderately successful (n=37)	Successful (n=27)	Statistical evidence
Pre-existing relationships with wealthy individuals	19%	32%	78%	$X^2=(2, n=164) = 33.9, p<.001$ one-sided
Pre-existing relationships with charitable trusts and foundations	20%	51%	85%	$X^2= (2,N=164) =42.1, p<.001$ one-sided
Pre-existing relationships with corporations	18%	46%	67%	$X^2=(2.n=164) =27.1, p<.001$ one-sided

**Table 9: Relation between pre-existing links with different types of donors and relative success**

	Not successful (n=100)	Moderately successful (n=37)	Successful (n=27)
No historic endowment	63%	55%	21%
Historic endowment	37%	45%	79%
	100%	100%	100%

$\chi^2(2, N = 110) = 12.3, p .001, \text{one-sided}$

**Table 10: Relation between the existence of a historic endowment and relative success**

Unlike many of the other variables that relate to successful outcomes, the presence of pre-existing links with donors appears to be a necessary condition, as every one of the ‘successful’ institutions enjoys this type of institutional privilege.

### **5. External factors within the region or nation state in which universities are located and ‘relative success’**

The final type of variables that we explored in relation to subjective assessments of success in fundraising outcomes, are those relating to external factors within the region or nation state within which universities are located. We examined six external factors, as follows:

1. Macro-economic factors
2. Fiscal, legal and regulatory frameworks
3. The existence of government schemes to promote philanthropy
4. Cultural attitudes to philanthropy
5. The type of welfare state that exists in that country (see appendix D)
6. The geographic region in which the institution is located (see appendix D)

Perhaps surprisingly, given the frequency with which policy makers point to the impact of external factors, no significant relationship was found between macro-economic conditions, fiscal, legal and regulatory frameworks and the existence of government schemes to promote philanthropy. However, a significant relation was found between cultural attitudes towards philanthropy and success.

	Relationship with 'relative success' + = positive significant relation 0 = no significant relation	Statistical evidence
Macro-economic factors	0	
Fiscal, legal and regulatory frameworks	0	
The existence of government schemes to promote philanthropy	0	
Cultural attitudes to philanthropy	+	r.18 (p<.05)

**Table 11: Relation between external factors and relative success**

We find that the perception of cultural attitudes towards philanthropy in an institution's region or nation state is the only external factor that has a significant relationship with fundraising success. Respondents' perceptions of macro-economic factors, and the fiscal, legal and regulatory regime within which they exist are not reported as having any significant bearing on fundraising outcomes. However, contextual impact is a complicated concept and not easy to measure in an online survey, we therefore recommend caution in interpreting this factor and advise further research to assess the true impact of context.

We also explored the significance of the dominant welfare state regime in any given country and the success of the universities located in that regime. The typology of 'welfare state regimes' is a way of categorising countries according to factors such as the institutions guaranteeing social security (the state, the market or the family) and the kind of stratification systems (status and class differentiation) that exists. For the purposes of this report, we identify six regimes, in relation to philanthropic research funding, as follows:

1. **Social Democratic:** In countries where research and education are considered to be part of the core role of welfare state policies, HEI's do not feel any urgency in developing fundraising policies. Nevertheless, some social democratic regimes recognise and invite private initiative to benefit the public good.
2. **Liberal:** HEI's in liberal countries have a market-orientation. Philanthropically-funded professorships/chairs and the philanthropic funding of research, buildings and events will be a significant part of the HEI's budget.
3. **Mediterranean Corporatist:** In countries with this type of regime, there exist interrelationships between the state and the dominant religion. If HEI's are strongly linked to dominant religion foundations they are likely to receive private philanthropic funding.

4. **Post Socialist Statist:** In countries with this type of regime, HEI's are accustomed to receiving all their funding from the state. Therefore, a 'philanthropic giving culture' does not exist with regard to the funding of research.
5. **Corporatist:** The social midfield of interest groups makes the HEI's constituency; networks of support groups are likely to fund research.
6. **Statist (peripheral):** In countries with this type of regime, philanthropic foundations are service-providers that compensate for short-falls in public sector funding. HEI's with links to foundations are likely to gain private funding for research.

For information on how different countries are categorized according to their welfare state regime, please see appendix D.

We find that successful institutions are more likely to be located in liberal welfare states than in another types of welfare states, as the following table shows:

	Not successful (n=100)	Moderately successful (n=37)	Successful (n=27)
Social democratic	5%	16%	11%
Liberal	25%	19%	48%
Mediterranean Statist	7%	22%	7%
Post socialist statist	21%	19%	4%
Corporatist	39%	24%	22%
Statist (peripheral)	3%	-	7%
	100%	100%	100%

$\chi^2(10, N = 161) = 52.6, p .001$ , one-sided

**Table 12: Relation between welfare state regimes and 'relative' fundraising success**

Finally, we explored the success of universities in relation to the geographical region in which they are located, as illustrated in table 13.

	Not successful (n=100)	Moderately successful (n=37)	Successful (n=27)
Northern-Western Europe (Austria, Belgium, France, Germany, Ireland, Luxembourg, Netherlands, UK)	65%	43%	74%
Northern Europe (Denmark, Finland, Sweden)	5%	16%	11%
Eastern Europe (Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, Slovenia)	21%	18%	4%
Southern Europe (Cyprus, Greece, Italy, Malta, Portugal, Spain)	9%	21%	11%
Total	100%	100%	100%

$\chi^2(6, N = 161) = 13.7, p .05$ , one-sided

**Table 13: Relation between geographical region and ‘relative’ fundraising success**

Most of the successful fundraising universities are based in Northern-Western Europe. This is not a surprising finding as that region contains the UK, which is known to be the leading European nation in this regard. However, this table also shows that all types of geographical regions contain institutions demonstrating different degrees of success, which therefore proves that geography is not destiny when it comes to raising funds from philanthropy for research in universities.

## **Section 2 : Objective success in raising philanthropic funds for research**

This section provides insights into the experience of those institutions that report raising the largest sums of money from philanthropy for research, and identifies the variables that lie behind fundraising success, as measured in absolute amounts.

## **Methodology**

Within the 164 respondents, we identified four categories reflecting different levels of outcomes amongst the HEIs who participated in the survey:

- Firstly, there are 6 'very successful' institutions, who claim to raise more than 10 million Euros from philanthropic funds for research on an annual basis.
- Secondly, there are 19 'successful' institutions, who claim to raise between 1-10 million Euros from philanthropic funds for research on an annual basis.
- Thirdly, there are 31 'questionably successful' institutions, who claim to raise between 100,000 and 1 million Euros from philanthropic funds for research on an annual basis.
- Fourthly, there are 19 'unsuccessful' institutions, who claim to raise less than 100,000 Euros from philanthropic funds for research on an annual basis.

89 institutions declined to answer this question, and we acknowledge that this large degree of non-response affects our ability to fully understand the nature of fundraising outcomes and to analyse the factors behind relative degrees of success.

As in the first section of this chapter on success, the findings are divided into five subsections relating to different aspects that potentially have an impact on the success of fundraising outcomes, as follows:

1. Type of philanthropic donor (alumni; wealthy individuals; charitable trusts and foundations; private corporations)
2. The efforts made by universities (e.g. frequency of trying to raise funds)
3. The internal structures and strategies in place within universities (e.g. the commitment of management; the degree of investment in fundraising)
4. The presence or absence of accumulative advantage (e.g. pre-existing links with donors)
5. The external factors within the region or nation state in which universities are located (e.g. macro-economic conditions; cultural attitudes towards philanthropy).



## Findings: the factors that lie behind ‘absolute success’

In order to statistically analyse the data in a meaningful way, we had to combine the very successful (n=6) and successful group (n=19), into one successful group (n=25).

### 1. Type of donor and ‘absolute’ success

Table 14 illustrates the relationships between being in receipt of contributions from different types of donors and success in raising the largest sums for research.

Type of donor	Unsuccessful (n= 19)	Questionably successful (n= 31)	Successful & Very Successful (n= 25)	Statistical evidence
Alumni	58%	81%	68%	No significant relation
Wealthy individuals	63%	77%	84%	No significant relation
Charitable trusts and foundations	68%	93%	100%	$\chi^2 (2, N=75) = 12,3, p < .001, \text{one-sided}$
Private corporations	79%	90%	100%	$\chi^2 (2, N=75) = 5,7 p < .05, \text{one-sided}$

**Table 14: Relation between type of donor and absolute fundraising success**

There is a relationship between receiving contributions from charitable trusts and foundations and from private corporations and absolute success in term of amounts of philanthropic money raised for research. Every ‘very successful’ and ‘successful’ institution is in receipt of donations from charitable trusts and foundations and from corporations, indicating that this is a crucial source of philanthropic income for research purposes.

However, we find no relationship between being in receipt of contributions from alumni and wealthy individuals and achieving the highest objective measures of success. It may be that the size of donations from these sources is too low to have a significant bearing on the absolute amounts, and that donations from foundations and corporations sources are sufficiently bigger and counteract any ‘alumni-deficit’ and ‘wealthy individual-deficit’. Indeed, very successful institutions may have taken a strategic decision to focus on institutional donors, rather than individual donors, in order to maximise the total value of their philanthropic income.

This finding differs from the first finding in the earlier section of this chapter, which examined the relationship between types of donor and ‘relative success’. We found significant relations between contributions from all types of philanthropic donor and subjective perceptions of success. A possible explanation for the discrepancy between these two findings is that simply being in receipt of donations has a positive impact on an institution’s evaluation of its own success, regardless of the actual value of such donations.

## 2. Efforts made by universities and ‘absolute’ success

In order to be classified as an institution making serious efforts, universities had to make efforts to raise funds from at least three philanthropic sources and they had to indicate that they ‘frequently’ seek philanthropic funding for research projects. Table 15 shows a clear relationship between making serious efforts to fundraise and the likelihood of success. This reinforces the finding relating to these variables in the first section of this chapter, as both relative and absolute success are related to the degree of efforts made by universities to raise funds from philanthropic sources.

	Unsuccessful (n= 19)	Questionably successful (n= 31)	Successful & Very successful (n=25)
Making no or hardly any efforts	84%	65%	32%
Making seriously efforts	16%	35%	68%

$X^2 (2, N=75) = 12,8, p.001, \text{one-sided}$

**Table 15: Relation between efforts made by universities and absolute success**

### 3. The Internal structures and strategies in place within universities and ‘absolute’ success

Table 3 presents a mixed picture regarding the importance of internal factors on the degree of fundraising success in terms of absolute amounts raised. In many respects, the successful universities do not differ markedly from the unsuccessful institutions. The only two significant relationships that we found between internal factors and this type of success are firstly, the degree of commitment of the management and secondly the production of fundraising materials such as leaflets, brochures and website to attract donors.

	Absolute fundraising success + = positive significant relation 0 = no significant relation	Statistical evidence
Presence of formal fundraising policy	0	
Financial and human resourcing of fundraising activities	0	
Commitment of management & governance	+	$R^2=.287$ ( $p<.01$ )
Commitment of academic staff	0	
Reward staff for attracting philanthropic donations	0	
Use a database	0	
Have differentiated fundraising strategies	0	
Have specialist fundraising staff	0	
Produce fundraising materials	+	$\chi^2=(2,n=69) 6,9, p<.05$
Offer formal recognition of donors	0	

**Table 16: Relation between internal factors and absolute fundraising success**

Whilst many (81%) institutions produce materials, almost all (97%) of the moderately successful and a similar number (92%) of the successful universities produce and use such materials, compared to a lower number (71%) of the unsuccessful universities.

This finding indicates that donors need to be made aware that an institution is seeking to raise funds, and to be given some information about the reasons this funding is sought and who to contact within the relevant institution in order to discuss making a donation.

As with the findings relating to relative success, and despite expectations, the presence of a formal policy and differentiated fundraising strategies were not found to be of major importance. However, in contrast to the findings relating to relative success, the commitment of academic staff, offering rewards to staff and establishing a database to record interactions with donors do not have a bearing on fundraising outcomes in terms of the absolute amounts of money they raised, although these were all found to be important internal factors when success was considered in terms of a subjective assessment by institutions.

#### 4. Presence or absence of accumulative advantage and ‘absolute’ success

Our data clearly illustrates that different experiences within an institution’s history and relationships have a bearing on fundraising outcomes.

	Unsuccessful (n= 19)	Questionably successful (n= 31)	Successful & Very successful (n=25)
Having no pre-existing links with donors	53%	6%	8%
Having pre-existing links with donors	47%	94%	92%

$X^2 (2, N=75) = 19, p.001$ , one-sided

**Table 17: Relation between pre-existing links with donors and absolute fundraising success**

Table 17 shows that almost all (92%) of these successful institutions also enjoy pre-existing links with philanthropic donors; usually these links are with trusts, foundations and private corporations rather than with individual donors. Indeed, all six institutions that report raising 10 million Euros or more per annum for research (the ‘very successful’ institutions), report having pre-existing links with charitable trusts and foundations. This compares to the unsuccessful fundraisers, over half of whom (53%) have no pre-existing connections with any type of philanthropic donor. In the first section above, we showed that subjective assessments of fundraising success are also related to having pre-existing links with all types of donors.

This finding also reinforces the finding, illustrated in Table 14 above, which showed that all of the very successful and successful universities, in terms of being in receipt of the largest sums of philanthropic income, have received donations from charitable trusts and foundations and from private corporations.

	Unsuccessful (n= 19)	Questionably successful (n= 31)	Successful & Very successful (n=25)
No Historic endowment	73%	32%	27%
Historic endowment	27%	68%	73%

$X^2$  (2, N=65) =9,2 , p.01, one-sided

**Table 18: Relation between the existence of an historic endowment and absolute fundraising success**

Table 18 shows a clear relationship between the possessions of a historic endowment (a donation made in the past which continues to generate investment income today) and the ability to raise larger sums of money in the present day. Three quarters (73%) of the most successful universities are in possession of historic endowments compared to just a quarter (27%) of the unsuccessful institutions that enjoy the benefits of a historic endowment.

These findings provide further evidence of the positive impact that the possession of accumulative advantage, as demonstrated by institutional privileges such as the existence of useful historic relationships, has on fundraising outcomes.

## 5 The external factors within the region or nation state in which universities are located and ‘absolute success’

The final type of variables that we explored in relation to successful fundraising outcomes in terms of securing the largest sums of philanthropic income, are those relating to external factors within the region or nation state within which universities are located. We examined six external factors, as follows:

1. Macro-economic factors
2. Fiscal, legal and regulatory frameworks
3. The existence of government schemes to promote philanthropy
4. Cultural attitudes to philanthropy
5. The type of welfare state that exists in that country (see appendix D)
6. The geographic region in which the institution is located (see appendix D)

Table 19 shows that we found no statistically significant relationship between external factors and absolute fundraising success. However, it is important to note that these figures refer to *perceptions* of various external factors, such as macroeconomic conditions, rather than any objective assessment of these variables.

We find that those universities raising 10 million Euros or more per annum rarely attribute their success to a positive reading of their environment. However, these ‘very successful’ institutions are more willing to describe such external factors as having a ‘neutral’ impact. This is most notably the case for the external factor of ‘cultural attitudes towards philanthropy’ which is significantly less likely to be rated as negative than amongst less successful institutions.

	Relation with ‘Absolute success’ + = positive significant relation 0 = no significant relation
Macro-economic factors	0
Fiscal, legal and regulatory frameworks	0
The existence of government schemes to promote philanthropy	0
Cultural attitudes to philanthropy	0

**Table 19: Relation between perception of external factors and absolute success**

This finding is in contrast to that relating to institutions' subjective assessment of their success, where we found that cultural attitudes towards philanthropy did have a significant relationship with relative fundraising success, as shown in table 11 above.

It is important to note that contextual impact is a complicated concept and not easy to measure in an online survey. We therefore recommend caution in interpreting the evidence regarding the influence of external factors, and advise further research to assess the true impact of context.

However, tables 20 and 21 show that both the geographical location and the welfare state regime within which institutions are based, have some impact on fundraising outcomes. Please see appendix D for further information on these classifications. Most of the very successful and successful fundraising universities are located in Northern-Western Europe and/or in welfare states characterised as 'liberal'.

Yet it must also be noted that all types of geographical regions and all types of welfare state regimes contain institutions demonstrating different degrees of success, indicating that external factors are influential, but not decisive in affecting an institution's chances of raising funds from philanthropic sources.

	Unsuccessful (n= 19)	Questionably successful (n= 31)	Successful & Very successful (n=25)
Social democratic	-	10%	20%
Liberal	32%	42%	48%
Mediterranean Statist	5%	13%	16%
Post socialist statist	32%	3%	-
Corporatist	32%	26%	12%
Statist (peripheral)	-	7%	4%
	100%	100%	100%

$\chi^2(10, N =75) = 22,8 p .01$ , one-sided)

**Table 20: Relation between welfare state regimes and 'absolute' fundraising success**



	Unsuccessful (n= 19)	Questionably successful (n= 31)	Successful & Very successful (n=25)
Northern-Western Europe	63%	71%	60%
Northern Europe	-	10%	20%
Eastern Europe	32%	3%	-
Southern Europe	5%	16%	20%
Total	100%	100%	100%

$\chi^2(6, N = 161) = 13.7, p .05$ , one-sided

**Table 21: Relation between geographic region and 'absolute' fundraising success**

## **What is distinctive about those universities that raise the largest sums for research for philanthropy?**

Just six European universities report raising more than 10 million Euros from philanthropic funds for research on an annual basis. Clearly, there are other universities within the European Union that achieve similar, or even greater, fundraising success. But based on the information provided by those who kindly participated in our survey, this section describes some characteristics of these six very successful universities.

### **Geographical location and welfare state regimes of the very successful institutions**

Of the six 'very successful' institutions, five are found in either Northern Europe (one in Denmark and two in Sweden) or Northern-Western Europe (two in the UK). One is based in Southern Europe (Mediterranean countries) and none are found in Eastern Europe.

Three of these institutions exist in countries with 'Social Democratic' welfare state regimes, two are found within 'Liberal' welfare state regimes and one is in a 'Statist' regime. No very successful institutions are found in countries whose welfare state regimes are characterised as 'Mediterranean Corporatist', 'Post Socialist Statist' or 'Corporatist' regimes. For information on the allocation of European countries to the different welfare state regimes, please see appendix D.

### **Variety of characteristics**

Between these six very successful universities a lot of variety exist in the factors that lie behind their success, indicating that there is just not one type of university that is able to raise large sums of money from philanthropy for research.

For example, whilst the amount of effort made by universities to seek philanthropic support was found to have a significant relation to fundraising outcomes, one of the six universities was found to make only minimal efforts.

There is also a mixed picture regarding the importance of internal factors on these most successful universities. For example, the level of commitment of the management ranged from 2 to 10 on a scale from 1 (not committed at all) to 10 (very committed).

The most distinctive feature of the very successful fundraising institutions is the existence of their pre-existing relationships with donors. All the very successful institutions (who raised 10 million Euros or more per annum) enjoy pre-existing links with charitable trusts and foundations and are in receipt of donations from this type of donor, indicating that this is a crucial source of philanthropic income for research purposes.

### **Discrepancy between relative success and absolute success in terms of financial outcomes**

Of the six objectively successful universities, only three are also highly rated in terms of the subjective assessment of their own success. Remarkably, two of the universities that attain the highest degree of absolute success (raising more than 10 million Euros per annum for research) do not rate highly in their subjective assessments of their own success in this area. As the following table shows, these two institutions (which we shall call X and Y) only rate themselves as ‘above averagely’ successful in terms of accessing philanthropic income for both general and research purposes from charitable trusts and foundations. Whilst institution Y rates itself as above averagely successful in accessing income for research from private corporations, both rate themselves as below average, even as low as 1 out of 10, in terms of accessing funding from the other three sources of philanthropic income for general purposes.

Philanthropic source	University X		University Y	
	Subjective assessment of general fundraising success (1-10)	Subjective assessment of success in fundraising for research (1-10)	Subjective assessment of general fundraising success (1-10)	Subjective assessment of success in fundraising for research (1-10)
Alumni	3	2	5	4
Wealthy Individuals	3	2	5	4
Charitable Trusts & Foundations	5	7	8	8
Private corporations	1	1	3	7

**Table 22: Illustration of the discrepancy between subjective and objective assessments of success**

## **The differences between subjective and objective assessments of fundraising success**

This chapter has assessed the success of fundraising outcomes in two ways. Section 1 focused on the factors that relate to subjective assessments of success in terms of institutions' satisfaction with the results of their fundraising activities. Section 2 has explored the factors that are related to raising the largest sums of money for research. What can we learn from the differences between the findings in these two sections?

Firstly, that using subjective and objective assessments of success results in different institutions being rated as 'most' successful. Whilst being in receipt of large amounts of money from philanthropic sources is a clear and simple indicator of success, such an objective measure does not take account of the unique circumstances and needs of each individual university. Our findings show that institutions may be successful within their own terms, which takes account of factors such as their size, expectations, need for funding and the stage of development of their fundraising activities.

Secondly, we find that assessments of 'relative success' appear to depend more upon the receipt of a large number of donations from multiple sources, rather than on the total value of these donations. We can summarise this finding by noting that subjective assessments of success appear to be based on 'breadth', whereby an institution succeeds in accessing funds from multiple sources, whilst assessments of absolute success are based on 'depth', which involves being in receipt of large sums of money even if they are received from only one source of philanthropic income, which are usually charitable trusts and foundations.

## **Conclusions on the assessment of success in fundraising from philanthropy**

In this chapter we have explored success in fundraising in relation to five types of potential explanatory variables:

1. The type of philanthropic donor
2. The efforts made by universities
3. The internal structures and strategies in place within universities
4. The presence or absence of accumulative advantage
5. The external factors within the region or nation state in which universities are located

We found significant relationships between a number of internal and external factors, notably:

- The degree of effort made to raise funds
- The commitment to fundraising of the management, governance and academic staff
- The use of volunteers in efforts to raise funds
- The existence of pre-existing relationships with donors
- The existence of a pre-existing endowment
- Being located in Northern or North-West Europe
- Being located in a country with a liberal or social democratic welfare state regime
- Cultural attitudes towards philanthropy in the local region or nation state (this only affected subjective assessments of success, not absolute amounts raised)

These findings support some of the emphasis found in the previous policy making and academic literature, which states that the key to fundraising success is based on two factors:

1. The efforts made by an institution to seek philanthropic support (*what a university does*)
2. The circumstances within which any given institution finds itself (*where a university is*)

However, this review of 'success factors' also highlights a third variable that has largely been missing in the extant literature:

3. The existence of institutional privilege, resulting in accumulated advantage (*what a university is*)

The presence of accumulative advantage appears to be an essential element in fundraising success. Pre-existing links to donors and the existence of a historic endowment were both found to be significantly related to present-day fundraising success, whether that success is measured in subjective or objective terms.

We contend that the existing policy making literature has not given sufficient weight to the importance of this factor, despite the evidence being clear that successful fundraising occurs not just as a result of how hard an institution tries to raise funds, or how fortunate it is in its circumstances, but also - crucially - as a result of its intrinsic status as an institution that, for reasons relating to history, reputation and good fortune in the past, enjoys an innate advantage in contemporary fundraising activities.

# Chapter 4

## Summary and Conclusions

This concluding chapter reviews the key findings and discusses the main issues that have arisen in this report.

### Findings

The findings of our survey were presented in five sections, the key points of which were:

#### 1. Historical Context

Around half of European universities were found to have some pre-existing links with philanthropic donors and most (83%) of those that make efforts to raise funds from philanthropy for research have such links. 38% of our respondents have a historic endowment which continues to generate income for present day spending. We found that the presence or absence of these factors (pre-existing links with donors and historic endowments) are strongly correlated with contemporary fundraising success.

#### 2. Contemporary Context

European universities are more likely to perceive the impact of contextual factors on their fundraising activities as negative or neutral, rather than positive. Of four external contextual factors - (1) general macro-economic conditions, (2) the national fiscal, legal and regulatory framework, (3) cultural attitudes towards philanthropy, and (4) the existence of government schemes to promote philanthropy - only the latter (government schemes) was viewed as making a particularly positive contribution to fundraising success, and only the penultimate factor (cultural attitudes) was found to have any statistical relationship with fundraising success.

#### 3. Efforts and Success in Fundraising for General Purposes

Most universities (80%) reported making efforts to access philanthropic funding and 83% reported experiencing some success in raising funds for general university expenditure. Donations from private corporations are the most prevalent (74% of universities are in receipt of donations from this source) and contributions from alumni are the least frequent (occurring in 54% of cases). However, universities view charitable trusts and foundations

as their most important type of donor, which probably reflects the larger size of funds available from this source. Universities rate their own success in dealing with institutional funders (such as charitable trusts and foundations and private corporations) more highly than they rate their success in dealing with individual funders (such as alumni and wealthy individuals). Despite the widespread pursuit and receipt of philanthropic funds for general purposes, the frequency with which all types of contributions occur is reported as more likely to be 'sometimes' than 'often'.

#### 4. Efforts and Success in Fundraising for Research

Most universities (77%) have used philanthropic contributions to fund research in the past five years (since January 2005). and almost all (94%) intend to seek philanthropic funding for research-related activities in the future. However on the whole, the amounts raised for this purpose are relatively low. Only six HEIs report raising more than 10 million Euros for research on an annual basis, almost half (44%) report raising less than 1 million Euros per annum and a third of respondents were not able - or willing - to reveal how much they succeed in attracting. Levels of success may be related to levels of effort, as less than half of respondents report making constant or frequent efforts to raise funds for research, with most reporting it is an 'occasional' aim of their fundraising activities. And whilst institutions are likely to approach charitable trusts and foundations to fund this activity, less than half ask wealthy individuals or their alumni to support research costs. Overall satisfaction with success at raising funds for research is slightly lower than satisfaction with raising funds for general expenditure. But as with fundraising for general purposes, HEIs report higher levels of satisfaction regarding their dealings with institutional than individual funders.

#### 4. Impact of Philanthropic Funding

Our respondents identified both positive and negative consequences of the impact of receiving funding from philanthropic sources. On a positive note, 80% report that philanthropic funding helps their institution to attract new researchers and allows existing staff to develop their research careers, whilst 78% claim it results in the opportunity to do more or better quality research. Almost three-quarters (73%) believe that the receipt of philanthropic funds enhances the image and standing of their university. Whilst fewer negative impacts were noted, 21% of respondents believe that problems arise due to the discontinuities associated with this type of income, and 20% felt that success in fundraising would gradually result in the substitution of public funding.



We found that philanthropic funds for research are being used for a wide variety of activities. Universities are most likely to use these funds to pay for new research projects, as is the case in over two-thirds of respondents (70%). Philanthropic funds are also frequently used to support PhD programmes and scholarships (in 64% of HEIs) and to enable specific individuals to undertake research (in 62% of cases). In most cases it is reported that the HEI and the donor collaboratively agree upon the allocation of philanthropic funds, though a third (31%) of universities claim they retain sole control, whilst a minority (5%) cede control to the donor.

According to our respondents, the key factors that positively impact upon the success of fundraising activities are all internal to their institutions:

- Their institution's existing relationships with philanthropic donors
- The commitment of senior academic leaders to fundraising activities
- The commitment of other research staff to fundraising activities

Whereas the factors that are viewed as having the most negative bearing upon fundraising activities are all external to institutions:

- The general attitude towards philanthropy within their nation state or region
- General macro-economic conditions
- General fiscal, legal and regulatory framework in the country or region

However, we found no clear and consistent relationship between most environmental factors and successful outcomes in fundraising success, with the exception of cultural attitudes towards philanthropy, which do appear to have some significant relationship to both the degree of efforts made within universities, and the degree of satisfaction with fundraising outcomes.

## 6. The organisation of fundraising activities.

The formalisation of fundraising activities was found to be surprisingly low: only just over half of institutions (51%) have a formal policy on fundraising, a third (32%) have no systems in place to measure and report on fundraising activities and only just over a half (51%) use a database to record and manage their interactions with donors. We also found that many universities are not meeting accepted standards of best practice, as conceived within the wider fundraising profession, for example only just over half (56%) always or frequently keep their donors informed about the outcomes and impact of their contribution;

however good practice in terms of acknowledgment is widespread, with 90% offering some form of thanks and recognition to donors.

We found that the task of raising funds from philanthropic sources can be allocated to various people and departments within universities, and occasionally even delegated to an external body, but most often the responsibility for raising funds rests with individual research staff (in 59% of cases), a development office (57%) or an alumni office (39%); clearly these responsibilities are being pursued simultaneously by multiple individuals and departments within the same institution. The managers and governors of universities are felt to be slightly more committed to fundraising than the academic staff, but the adequacy of resourcing of fundraising activities was rated, on average, as unsatisfactory.

The findings chapter ended with insights into those universities that have either raised no funds at all from philanthropic sources (as is the case for eight respondents), or have so far not allocated any such funding for research (as is the case for eleven respondents). Most of those who have not received any philanthropic funding reported that they do not intend to pursue this source of income, a situation they are most likely to attribute to a lack of internal commitment and investment in this activity. But of those who have yet to allocate philanthropic funds for research purposes, most report they would like to do so but have simply not yet been successful in this goal.

### **Success in European universities' fundraising activities**

In chapter 3 we reviewed the factors that relate to success in fundraising from philanthropy in European universities. We noted that 'success' is a complex concept, which can be assessed subjectively by institutions' satisfaction with outcomes as well as being measured objectively with reference to the absolute value of funds raised. We argued that objective measures of success are an attractive but potentially misleading measure, and certainly cannot provide a comprehensive account. For example, the smallest European universities are unlikely to be in receipt of the highest amounts of philanthropic funds, even though the amounts they raise may make a significant contribution to their overall income. We also argued that success is relative to the stage of development of the philanthropic culture in any given country. For example, 'success' in the UK is probably different from 'success' in a country such as the Netherlands where universities have only recently made a start in terms of raising funds from philanthropic sources. Universities which have only just begun to fundraise may evaluate themselves as successful as a result of receiving a

relatively small contribution because they perceive it to be the start of a potentially fruitful and long-term relationship with donors.

This report therefore explored both types of success: 'relative success' in terms of reported levels of satisfaction with fundraising efforts and outcomes, and 'absolute success', in terms of the actual amounts of money that institutions raise from philanthropic sources for research. The discussion of both types of success was divided into the following five sub-sections relating to different aspects that potentially have an impact on fundraising outcomes.

1. Type of philanthropic donor (alumni; wealthy individuals; charitable trusts and foundations; private corporations)
2. The efforts made by universities (e.g. frequency of trying to raise funds)
3. The internal structures and strategies in place within universities (e.g. the commitment of management; the degree of investment in fundraising)
4. The presence or absence of accumulative advantage (e.g. pre-existing links with donors)
5. The external factors within the region or nation state in which universities are located (e.g. macro-economic conditions; cultural attitudes towards philanthropy).

### **Subjective perceptions of success in raising funds from philanthropic sources**

The first success variable discussed was a subjective measure based on respondents' own assessment of the success of their fundraising efforts.

We find that universities describing themselves as successful have a higher likelihood of being in receipt of contributions from all types of philanthropic donor (alumni, wealthy individuals, trusts and foundations and private corporations). It is important to note that every university classified as 'successful' in subjective terms is in receipt of donations from charitable trusts and foundations, which indicates that this is a crucial source of philanthropic income.

We found a strong relationship between making an effort to raise funds and subsequent success in the receipt of philanthropic income. Despite the existence of this strong relationship, we found that there are exceptions and that it is possible to achieve some

success without making any significant efforts, as some institutions have to try harder than others to raise funds.

We also found a relationship between the frequency with which efforts are made to raise funds from the various philanthropic sources and respondents' assessments of how well their institution invests in fundraising activities.

Six aspects of an institution's internal structure and strategy appear to have some relationship to fundraising outcomes:

1. The commitment of the management and governance
2. The commitment of the academic staff
3. The degree of financial and human investment in fundraising activities
4. Rewarding staff for success in attracting philanthropic donations
5. The production and use of materials for fundraising purposes, such as a website, leaflets and brochures.
6. The use of a database to maintain and update records on interactions with donors

Four variables relating to internal structures and strategies were found to have no significant relationship to fundraising outcomes:

1. Having a formal policy on fundraising activities
2. Using differentiated strategies for approaching different types of donors
3. Employing specialist fundraising staff to work with different types of donors
4. Offering recognition to donors

However, variable experiences of success were found to exist in both the presence and absence of all types of internal structures and strategies.

Pre-existing links with donors and receipt of philanthropic income from pre-existing endowments were both found to have a significant relationship with present-day success in fundraising activities. Whilst some degree of contemporary fundraising success was found to be possible in the absence of a historic endowment, every single university categorised as 'successful' in terms of raising funds had pre-existing links with donors, indicating that this factor is a necessary condition for fundraising success.

Finally, we found that the perception of cultural attitudes towards philanthropy in an institution's region or nation state was the only external factor that had a positive significant relationship with fundraising outcomes, although this only applied to subjective rather than objective success measures. Respondents' perceptions of macro-economic factors, and the fiscal, legal and regulatory regime within which they exist are not reported as having any significant bearing on fundraising outcomes.

It is important to note that contextual impact is a complicated concept and not easy to measure in an online survey. We therefore recommend caution in interpreting this finding and advise further research to assess the true impact of external factors. However, we do find that both the geographical location and the welfare state regime within which institutions are based have some impact on fundraising outcomes. Most of the successful fundraising universities are located in Northern-Western Europe and/or in welfare states characterised as 'liberal'. Yet it should also be noted that all types of geographical regions and all types of welfare state regimes contain HEIs demonstrating different degrees of success, indicating that external factors are influential, but not decisive in affecting a university's prospects for raising funds from philanthropic sources.

### **Objective measures of success in raising funds from philanthropy for research**

The second success variable focused on the absolute amounts raised from philanthropic sources for research and research-related activities. The most successful institutions in this regard were most likely to be located in Northern or North-Western Europe, and to be in 'social democratic' or 'liberal' welfare state regimes.

We found that absolute success in terms of raising funds for research was related to having good relations with all types of philanthropic donor, and in particular was related to being in receipt of donations from charitable trusts and foundations. However, high degrees of success in raising funds for research were not related to the receipt of income from alumni, perhaps indicating that this type of donor is not - or not considered to be - a fruitful source of funds for research purposes.

Pre-existing links were again found to be an essential variable behind contemporary success in raising funds from philanthropy for research. All six universities that report raising more than 10 million Euros per annum for research have pre-existing links with at least one charitable trust or foundation. Most of these 'very successful' institutions also

have a historic endowment, compared to just a quarter of the 'unsuccessful' HEIs that report raising the lowest amounts from philanthropy for research.

We found that very few internal factors have an impact on fundraising success in terms of the absolute amounts raised for research purposes. The successful and unsuccessful institutions did not differ markedly with regard to factors such as how they rate their institution's commitment to, and resourcing of, fundraising activities. nor whether they offer rewards to staff for attracting philanthropic donations. However, we did find a clear and positive relationship between successful outcomes and whether institutions demonstrate genuine commitment to fundraising and invest serious efforts in attracting philanthropic donations.

Finally, we found that the institutions enjoying most success at raising the largest sums for research rarely acknowledge the positive impact of external factors, such as macro-economic conditions or government schemes to promote philanthropy, although they were more likely to describe these factors as neutral, whereas the least successful institutions view them as having a negative effect.

### **Conclusion on differences between subjective and objective measures of success**

Exploring both subjective and objective assessments of success resulted in different institutions being rated as 'most' successful. Of the six objectively successful universities that raised 10 million Euros or more per annum for research, only three were also highly rated in terms of the subjective assessment of their own success.

We conclude that assessments of 'relative success' appear to depend more upon the receipt of a large number of donations from multiple sources, rather than on the total value of those donations. Subjective assessments of success are based on 'breadth', whereby an institution succeeds in accessing funds from multiple sources, whilst assessments of absolute success are based on 'depth', which involves being in receipt of large sums of money even if they are received from only one source of philanthropic income, which are usually charitable trusts and foundations.

## Conclusions

In the closing section of this chapter we offer some final thoughts and conclusions drawn from the process of undertaking this research and analysing the data.

It is our belief that the existing expert reports and academic literature to date have largely been predicated on the assumption that HEIs will be able to raise more funds from philanthropic sources as a result of changes to their internal organisation and improvements in relevant external factors. The predominant assumptions state that philanthropic potential will be unleashed as a result of:

- (a) Institutions increasing the quantity and quality of their 'asking'.
- (b) Governments providing larger and better incentives to donors.

This reading of the fundraising landscape implies that those institutions that have not yet attained significant success in raising funds from philanthropy for research have failed due to factors such as:

- Lack of will to achieve fundraising success
- Lack of sufficient investment in fundraising activities
- Lack of luck in attracting donors
- Lack of ability in implementing fundraising activities

Yet the findings of this survey undermine the widespread assumption that better fundraising outcomes are wholly dependent on better investment in fundraising or an enabling environment, because the separate variable of accumulative advantage, relating to the presence or absence of institutional privilege, has been shown to be a crucial factor in outcomes.

Our data, and that produced by the most recent Ross-CASE survey in the UK (discussed in chapter 1), demonstrate that more and more different types of universities are trying to fundraise from philanthropic sources. 94% of our sample report that they intend to try to raise funds for research from philanthropic sources in the future. But it is unclear what the potential is, and whether these efforts will deliver sufficient results to justify the expenditure. The urgent pressures to diversify income has led to something of a rush to create fundraising operations within all types of HEIs across Europe, without sufficient

attention being paid to the likelihood of success, or even of the costs of these operations being covered by the results. In sum, we do not yet know if hopes are matched by reality. We contend that much of the literature on fundraising, including fundraising for research in universities, is highly prescriptive in terms of setting out how institutions should go about the task of seeking funds from philanthropic sources. Yet this prescriptive approach to fundraising is informed by a generic knowledge about philanthropy that may not be applicable for all institutions seeking funds. We believe that a 'rush to fundraise' has been encouraged in higher education institutions across Europe, informed by a potentially misplaced presumption that all universities are equally well placed to attract philanthropic income. This 'rush to fundraise' has arisen because of the pressures under which the finances of universities have been placed across Europe, and has been accelerated by the consequences of the recent global recession. Yet it is not known whether the hopes that drive this rush are matched by any realistic expectation of positive results. There exists no evidence base to demonstrate that all universities are potentially likely to be recipients of philanthropic funds. What research does exist largely draws on data from the USA, is not comparative, and tends to focus on elite institutions and their alumni. The rush to fundraise may be driven more by wishful thinking that all institutions can tap into philanthropic sources, rather than being evidence-based or relying on any comparative studies of HEIs in north America, or indeed elsewhere in the world.

The European Commission, amongst other governmental organisations, is seeking to initiate policy debates about how the university sector might diversify its income, but the research contained in this report shows that we do not know how realistic that aim is. It is important to identify the extent to which relative positions of institutional advantage and disadvantage are liable to moderate the abilities of universities to fundraise. We certainly should not expect all universities to experience the same level of success in fundraising and neither should we expect them to be equally endowed with the same fundraising capacities. In this regard, we suggest that policy makers should pay heed to the structural constraints within which fundraising takes place. Ideally, policy advice needs to be carefully tailored to match the specific context of university fundraising. A most pressing matter for consideration relates to the extent to which the ability to increase fundraising success rests solely in the hands of universities.



Those institutions that have not yet begun, or seriously begun, fundraising are likely to have some untapped potential that can be unleashed by following 'best practice' and learning from the variables that we have identified as being related with success in other European universities. But an important next step is to assess how much potential exists, how to unlock it, and whether the costs of attempting to unlock it are proportionate.

Many previous reports, from both the experts and the academic community, have been highly prescriptive in setting out how institutions should go about fundraising. These prescriptions are informed by a generic knowledge about philanthropy that may not be relevant to the university sector. They tend to assume that philanthropy can best be promoted by pulling one of two policy levers:

1. Changing the culture within universities, for example by persuading them to invest more seriously in fundraising efforts.
2. Changing the fiscal environment, for example by introducing better tax-breaks and other incentives for donors.

However, our data suggests that it is not realistic to suggest that if universities try harder, and if national governments introduce better incentives, then philanthropic funds will automatically flow as a result. Instead, we conclude that 'accumulative advantage' must be considered as an equally important third factor that has a bearing on the extent of any given institution's fundraising efforts and success. Donors show an inclination to support institutions that already possess inherent advantages, especially in terms of pre-existing relationships with donors; this factor must be understood and factored into policies that seek to promote philanthropy, in order to ensure that they are realistic.

In general, the received wisdom regarding the promotion of fundraising has been 'ask and you will receive'. This has made sense in the UK context because that country has an existing reservoir of philanthropic funds banked in charitable foundations that are available for spending on research in universities, therefore incentive-based proposals to attract donations to this sector, such as the Matched Funding scheme, have met with some success. But whilst there may be evidence to support the salience of the 'ask effect' in the UK, we must ask if it is realistic to expect this to be repeated across Europe, where similar contexts do not necessarily apply.

It is clear is that discussions to date have not been adequately informed by the diversity of experiences across Europe, and within European nation states, relating to:

1. The variety of national contexts (including welfare regimes and fiscal arrangements)
2. The variety of university experiences
3. The variety of philanthropic cultures and opportunities for fundraising from philanthropic sources.

There is therefore a need for more detailed research to address this diversity of experience and to draw firmer conclusions on the presence and absence of efforts and successful outcomes in fundraising from philanthropic sources for research in universities. Such future research should be especially concerned to understand the experience of universities lacking inherent advantages and institutional privileges, so as to understand what might be replicated for those who do not enjoy the benefits of accumulative advantage.

Having reviewed the key findings, six conclusions emerge from this report, as follows:

### **1. European universities do not attract significant philanthropic funds for research**

Philanthropic fundraising is not, on the whole, taken seriously in European universities. Only a very small number of institutions are raising significant sums of money from this source, and even fewer are accessing philanthropic funding to pay for research and research-related activities. Whilst this may be disappointing for those hoping that private donors can represent an important source of funding for university-based research, it may also be interpreted in a more positive light as indicative of potentially significant untapped potential.

### **2. Different types of university have different opportunities to raise funds from philanthropy**

Despite the positive interpretation offered in the above point, we conclude that the extent of untapped potential that exists in this area will vary greatly across different universities. Differences between types of university relate to their wealth, their history and their relationships with the various types of donors, as well as to differences in their internal organisation and macro-economic contexts. All these differences affect the likelihood of an HEI engaging in - and succeeding in - raising funds from philanthropic sources. It is therefore not helpful to depict philanthropic cultures in monolithic terms because in reality

they are highly variegated. We need to understand each in its own context in order to assess the potential capacity for philanthropic funds to fund university-based research.

### **3. Inherent or accumulative advantage is an under-estimated but significant factor**

In the analysis of our data, we identified the existence of accumulative advantage as a key factor that has hitherto been absent from the policy making and academic literature on fundraising in the university sector. Our study confirms that universities with useful pre-existing connections to donors and pre-existing sources of philanthropic income are best placed to raise funds from philanthropy for both general expenditure and research purposes. For this reason, we propose that fundraising success should be viewed as a result of what an institution *is* (in terms of its elite status and possession of accumulative advantage), as well as a result of what an institution *does* (in terms of its efforts with regard to fundraising activity) and a result of *where* an institution is located (in terms of an enabling context and environment). Whilst all three factors make an important contribution to fundraising success, we argued that the first factor (what an institution *is*) has thus far been under-estimated in policy debates.

### **4. Universities have different relationships with institutional and individual funders**

We found that philanthropic funds are more likely to be raised from institutional funders (charitable trusts and foundations and private corporations) than from individual funders (alumni and wealthy individuals). HEIs report being least satisfied with their efforts to fundraise from alumni, despite much effort being invested in developing an alumni fundraising culture in Europe to reflect that found in the USA. Policy makers need to pay attention to the structural constraints that exist when assessing the potential for attracting donations from different sources. For example the types of alumni that a university has, in relation to their future success and earning power, is clearly a key factor in their ability to give back to their alma mater. Therefore we conclude that the evidence base for pursuing this strategy needs to be investigated to ensure it is based on true untapped potential, rather than on wishful thinking.

### **5. There needs to be greater understanding and implementation of 'best practice'**

The findings relating to the internal organisation of fundraising activities within European universities demonstrated that large parts of the sector continue to take an informal approach to this activity. The widespread lack of formal processes and procedures, such as the existence of policies, specialist staff, differentiated strategies and donor recognition

all point to a sector that has yet to incorporate 'best practice'. At best, this situation means many institutions may be operating 'in the dark' and at worst this may indicate a lack of collective understanding of the processes required for successful fundraising.

## **6. Differentiating between philanthropic funding that is available for general purposes and that which is earmarked specifically for research activities**

It is important to note that not all monies raised from philanthropic sources are available for spending on research activities. Research is only one of many potential uses for the funds raised by fundraising activities. Indeed, as Finding 11 reveals, universities are less likely to approach some potential funders, notably their alumni, for funds for research. There are two potential explanations for this situation. Either research is a less appealing proposition for some types of donors, or some fundraisers have pre-conceptions about what different types of donors will want to support. It is important to make further efforts to clarify whether the lower levels of giving for research are due to donor preference or fundraiser preconceptions. If fundraiser preconceptions are affecting the level of efforts made to raise funds for research then this may indicate some untapped philanthropic potential. If donor preferences are affecting the attractiveness of the 'ask' then it may be possible to tackle this barrier by re-thinking the nature of the proposition put to donors. For example, it may be the apparently intangible nature of research that is off-putting to donors, as compared to funding something concrete such as a building. The wider fundraising profession has extensive experience of understanding what donors want and how to package fundraising 'asks' to make them more accessible and attractive to potential donors. It may be useful to draw on this knowledge in order to make research a more attractive proposition for potential donors.

In conclusion, this area needs to be treated more seriously as a field of enquiry. Expert reports to date tend to be overly prescriptive, despite the absence of an evidence base, whilst ignoring the context of fundraising efforts at an institutional level.

This report has sought to document the kinds of actions, organisational behaviours, communication procedures, collaborations and policy initiatives that might take place within universities in order to enhance the opportunities for successful fundraising from philanthropy. However, it also cautions for a realistic approach with regard to the structural conditions and constraints that moderate and limit the attainment of fundraising success. It is important to make clear to university leaders the relative opportunities that are available

to them to approach potential donors, as well as regional variations in the amount of funds that might be made available for research. It is also important to emphasise that there can be no single indicator of 'success'. Multiple and varied evaluations of successful fundraising need to be moderated with due consideration being paid to the type of university in question, its geographical location and the forms and quantities of research that it is seeking to produce.

# Chapter 5

## Recommendations: What needs to happen next?

### 1. Policy initiatives should not privilege internal or external factors, nor ignore the influence of accumulative advantage

Many recommendations to date, that appear in either the independent expert group reports or in academic studies, tend to emphasise or privilege one set of factors or considerations above all others. But our data demonstrates that all three factors matter:

1. Environmental factors and broader cultural and social norms around fundraising (*where* HEIs are).
2. How hard universities try to set up a successful fundraising efforts (*what* HEIs do).
3. The presence or absence of accumulated advantage with regards to pre-existing links to donors, contemporary reputation for excellence etc (*who* HEIs are).

There is an implication in the existing literature that success is dependent upon universities making the effort to make 'better' asks more often, and on nation states putting in place sufficient incentives. However, this model fails to acknowledge the importance of which kinds of universities have the intrinsic ability to attract donors, due to their inherent status and attributes. The existing literature is overly-focused on either the 'context effect' or the 'ask effect', but this report demonstrates that we need to consider more closely *the context for the ask effect* - by which we mean the viability of an HEI making a successful ask, given its status, contacts, reputation etc.

Asking well and often is clearly a *necessary* factor behind fundraising success, but unfortunately it is not a *sufficient* factor to guarantee fundraising success. Our data appears to confirm the accepted wisdom that 'if you don't ask, you won't get', whilst also confirming that the reverse is not necessarily true, because if you do ask, you won't necessarily get. In addition to asking, the institution needs to be a credible and attractive organisation in the eyes of funders, and this relates to factors outside the control of both external policymakers and internal fundraising departments - it relates to the status of any given institution, which is a result of its wealth, reputations, relationships etc.

## **2. Philanthropy should be understood as a dynamic area and policy making needs to be responsive to change**

The current dynamics of the debates about philanthropy are neither constant nor fixed. This is a very new area of research and we don't know when universities might reach any 'ceiling' of what is possible in terms of raising funds from philanthropy for research. We have a very limited understanding of what is possible and what might be the limits in this area. However, we should be careful to heed the possibility of sudden, dramatic, game-changing factors, which could have either a positive or negative effect on developments in this area. For example, if a US-style Giving Pledge<sup>4</sup> were to be implemented in Europe, leading to a large number of billionaires pledging half their fortunes, then it is likely that much of this would be given to universities as previous research<sup>5</sup> indicates this is a favoured area for this type of donor. They have the power to dramatically change the rules of the game, which makes this unlike any other policy domain, because conventions can be overturned very rapidly. Therefore, we need a policy debate that remains open to extraordinary contingencies, both positive and negative.

## **3. The gap between 'warm words' and hard investment in fundraising needs to be closed**

Our data indicates that research is a less attractive proposition for funders than making general contributions for university expenditure. Further work is needed to establish whether this is due to fundraisers' preconceptions or donor preferences, in order to identify what steps can be taken to tackle this barrier. University-based fundraisers should be better supported to make the best possible case when they seek funds for research, this could be achieved by closing the gap between the extent of encouragement received from managers and governors and the realisation of investment, in terms of both human and financial resources, in fundraising activities. And the the propositions put to potential donors should be based on the latest knowledge from the wider fundraising profession regarding donors wants and needs in order to make the 'ask' as attractive as possible. For example, some donors' desire for recognition may lead them to assume that funding

---

<sup>4</sup> In the summer of 2010, the US philanthropists, Bill Gates and Warren Buffett, launched a campaign challenging fellow US billionaires to make a pledge committing 50% of their wealth to charitable causes; within a few weeks 40 billionaires had signed the pledge, including some that promised to give away more than the minimum 50%

<sup>5</sup> For example, see the annual Coutts Million Pound Donor Reports, which present data on all donations worth at least £1 million that are made by UK donors or to UK charities; in every edition of the report, HEIs are found to be the most favoured cause of 'million pound donors' <http://www.kent.ac.uk/sspsr/cphsj/research/couttsmilliondonor.html>

research will not result in the naming opportunities that they desire; yet clearly some effort can be put into creating other types of 'recognition opportunities' for those who fund research.

#### **4. The potential value of new fundraising products should be explored**

Another potentially fertile avenue for policy makers to explore is expanding the toolkit available to university-based fundraisers. Finding 7 indicates great disparities in the frequency with which different types of philanthropic donation are received by European universities. Notably, two-thirds (66%) of our respondents report that they have never received gifts of capital assets. In the US, it is more common for fundraising organisations of all types to receive such gifts, due to the existence of fiscal incentives that offer attractive tax breaks to donors making this type of donation. We therefore recommend an inquiry into potential new fundraising products that could help to sharpen the rather blunt instruments with which many university-based fundraisers are currently working.

#### **5. Differential tax breaks may be needed to stimulate donations for research**

The point raised in finding 15, that philanthropic sources are frequently used to fund innovative research projects, raises questions about the potential for this type of income to help universities meet their ongoing core, or general, research costs. It is well documented in the literature that philanthropy is well suited for funding innovation, which is generally attributed to donors' preference for making something new happen. It may therefore be necessary to design new incentives, potentially involving preferential tax breaks, to make the philanthropic funding of research more attractive in relation to the funding of alternative options such as new capital projects.

#### **6. Promote a culture of giving across the European Union**

Compared to the USA, the European Union lags behind in terms of encouraging a culture of philanthropic funding for research within universities. This situation persists despite admirable efforts by the Research Directorate-General in terms of commissioning research, hosting workshops for policymakers and publishing reports on this topic. In order to move to a position of the EC leading, rather than following, international best practice in this area, we recommend an increase in the prioritisation and funding of the task of promoting philanthropy as a source of income for research activities in Higher Education Institutions. The European Commission could also take steps to encourage enabling conditions by putting philanthropy nearer the heart of policy making, by promoting



philanthropy in political forums and by instigating better regulation for relationships with philanthropic institutions and the philanthropic sector.

## **7. Compulsory reporting on philanthropy within universities' annual financial reports**

Universities themselves must play a leading role in taking forward actions that will encourage relationships with philanthropic funders. The governing and management boards of Higher Education Institutions need to take responsibility for implementing any necessary adaptations and reorganisation of their institutions in order to develop appropriate relationships with potential sources of philanthropic funding, as set out in the *Engaging Philanthropy* report published in 2008. Therefore, we recommend that universities ought to include in their annual financial report full details of the philanthropic income they have received during the financial year. The publication of this information will help to confirm that philanthropy is expected to form a part of their annual accounts and the information on the amounts raised will be useful to policymakers and researchers in tracking the development of this source of income.

## **8. There is a further need to identify and map fundraising contacts in European universities**

This report represents the first serious attempt to engage with the task of gathering data on the important topic of fundraising from philanthropy for research funding in European universities. As a further output of this project, we have also created a database of contact information for almost 500 individuals who are responsible for fundraising activities in universities across the European Union. We hope this preliminary attempt to create a database can serve as a foundation upon which future efforts can build, to establish a comprehensive database of fundraising contacts in European universities. The difficulties that we experienced in identifying appropriate contacts within HEIs and in getting responses to our survey may potentially reveal an interesting finding, rather than being simply a matter of methodological interest. In many cases we were unable to identify the appropriate person within European universities to whom we should send the survey and then chase to complete it. Our experience in this regard is unlikely to be unique. If we found it impossible to identify an individual responsible for fundraising within a university, then it seems likely that potential donors would experience similar difficulties in identifying who to contact in order to discuss a potential donation. Therefore, one barrier to increasing

the number of philanthropic gifts to fund research in universities may be administrative – as in many cases it is not clear *who* to approach, or *how* to approach, many European HEIs. We therefore conclude that there is a need for a better infrastructure of information on who is responsible for fundraising in European universities and we recommend the production of a clearer mapping of relevant contacts, so that potential donors know who to talk to. The work undertaken by the Council for the Advancement and Support of Education (CASE) in countries such as the UK, which includes the publication of lists of the key contact people responsible for fundraising and development activities in HEIs, would be one potential model for this enhanced infrastructure.

### **9. The extent of untapped philanthropic potential also needs to be mapped**

A careful mapping of the sources of philanthropic funding (such as individual donors, charitable trusts and foundations and private corporations) also needs to take place, to provide more evidence of the ‘untapped potential of philanthropy’ that lies behind much thinking in this area, and to justify the contention that private donors represent a viable funding source for research in universities. The philanthropic potential in this field is complex and involves at least three layers:

1. Increased levels of philanthropy in general.
2. Of which, an increased percentage goes to HEIs
3. Of which an increased percentage is committed to fund research within HEIs

Furthermore, policy makers may wish to be aware of implementing measures that result in increased philanthropic funding for research in universities, but only at a cost of diverting philanthropic funds away from other equally - perhaps more - compelling causes.

The existence of this multi-layered nature of the philanthropic potential is important, because increasing philanthropy per se may well not be sufficient to achieve policy goals in this area. It is perfectly feasible that general levels of philanthropy rise across Europe, without any extra funding going to fund research in European universities.

However, the generic promotion of philanthropy is also a difficult area, not least because the idealisation of philanthropy can become a trap for policy makers. There is much ambiguity within data on levels of philanthropy, and what evidence exists is often an ambiguous mixture of three types of ‘new money’:

- Money that is pledged by donors before any transaction takes place. In the absence of any legal means for enforcing such pledges, this money can merely be *hoped for*.

- Money that is banked by donors into a vehicle such as a charitable trust or foundation. In the absence of any pressure to distribute such 'banked' philanthropic funds, this money must be *waited for*.
- Money that is actually donated directly to fundraising organisations such as universities, this money can be counted as *received and spent*.

This mapping exercise is therefore important to ensure that future policy making and government initiatives are realistic with regard to the structural conditions and constraints that moderate and limit the attainment of fundraising success. It is important to make clear to university leaders the relative opportunities that are available to them to approach potential donors as well as regional variations in the amount of funds that might be made available for research. Greater clarity in this regard would be achieved by mapping the presence of the philanthropic potential across Europe.

#### **10. There is a need for more comparative studies outside elite institutions**

There is a need for more in-depth studies of HEIs outside of the traditional elite institutions that have dominated research into fundraising and universities. This is especially important in order to correctly interpret the preliminary signs of fundraising success in non-elite institutions identified by the 2010 Ross-CASE survey, and the indications that more European universities are making efforts to fundraise, as identified by EUDIS.

Signs of success could have one of three interpretations:

1. Moderate/low levels of success represent the start of an eventually-successful process
2. Some institutions will only ever raise small amounts for research but these sums are still significant for seed corn funding and therefore worth pursuing.
3. The size of the sums raised is not a situation that is not, and will not become, substantial enough to justify the costs of investing in fundraising activities.

Whatever policy developments take place across the EC, they need to be more firmly tuned to the experiences and needs of institutional settings of universities outside of the traditional elites.

# Appendix A

## Philanthropy in European Welfare States

**Some considerations about the potential and significance of philanthropy-research for Europe.**

The only country in the world in which the macro-economic volume of the entire national philanthropic sector is systematically described, is the United States. "Giving USA" does exist since 55 years. The Netherlands is the only Western European country in which similar research is practised. Since 1993 the VU University Amsterdam releases the two-yearly publication of "Giving the Netherlands".

The "Giving USA" study as well as the "Giving in the Netherlands" study are representative of an emerging sector and income-source for public causes. These studies set philanthropy empathically on the societal and policy agendas. Scholarly attention will inherently promote the "culture of giving" in the EC nation-states.

Welfare states in Western Europe are in transition. Demographic changes, cultural and political developments at national as well as European level trigger fundamental shifts in economic, social and political institutions. Western Europe is moving into the ongoing process of restructuring: in the meanwhile integrating new East European countries at one hand, coping nationwide with the ethnic diversity challenges at the other. As a result, the transition urges the continuous innovations of governments, businesses and civic efforts to keep Western Europe a prosperous and democratic community to live in. Philanthropy: voluntary action for the public good (Payton1988) will deliver a substantial impetus to reach these goals and will boost the competitiveness of Europe in the world.

Private philanthropic money is a major ingredient of the rising Civil Society in Western Europe. It will contribute substantially to the financing of non-profits goals in general like culture, research, health, education, welfare and nature preservation. The philanthropic market is growing rapidly. The rise of philanthropic transactions has at least three causes: the growth of wealth after WWII, demographic developments (ageing and reduced births) and a withdrawing government. In the United States, researchers speak of the "Golden Age of Philanthropy".

Philanthropy appears in two ways: as source of income for non-profits and as an independent “philanthropic sector” of endowed and fundraising foundations.

A common policy on philanthropy is lacking. Philanthropy has been till now an isolated issue at the EC commissioners agendas. However, the social market and cohesion target stipulated in the EU 2020 strategy opens opportunities. The EC Directorate – General for Research (under former Commissioner Janez Potocnik) started, in cooperation with the European Foundation Centre, the *“European Forum on Philanthropy and Research Funding”* in December 2007. Attention is thus paid to “philanthropy for research”, - VU University Amsterdam and Kent University are conducting the EC- research project “Funding Research by Philanthropy” and attention to this issue in the forthcoming Communication on the Innovation Union will be welcomed.

But paradoxically **“research on philanthropy”** does not exist. A micro-economic estimation of philanthropy by households, bequests, foundations, businesses and good causes lotteries in Europe is still missing.

Next to policy-attention, research on philanthropy will strongly improve the visibility of the different kinds of philanthropic contributions (individual giving, wealthy donors, bequests, foundation giving, corporate giving and good causes lotteries). As a result the awareness of the EUROPEAN PHILANTHROPIC CULTURE will be boosted by this research.

Government, market and philanthropy are three allocation mechanisms for achieving goals for the common good. Strangely enough, it appears that a monopoly of any one of these mechanisms does not lead to a viable society. The solution for the future lies in some form of interplay among these three mechanisms, in which the government guarantees a strong foundation, and the market and the philanthropic sector create space for dynamics and plurality. Such an arrangement would inadvertently revive the principles of the French Revolution: freedom, equality and fraternity. These developments are appropriate in the transition from a European welfare state to a ‘civil society’ in which more attention is paid to the contributions and responsibilities of individual citizens, societal organizations and businesses.

## Reference

Schuyt, Th.N.M. 'Philanthropy in European Welfare States: a challenging promise?'

In: *International Review of Administrative Sciences*, nr 4, 2010, Vol. 76, December SAGE (in press) It will be published in French, English, Spanish and Chinese

## Abstract

Philanthropy is growing rapidly in Europe and in most of the countries in the industrialized world. A well-known phenomenon from history, philanthropy has made a comeback in recent years and is finding new form and meaning in an emerging 'civil society'. But how do we define this new 'modern' philanthropy? Does it differ from concepts such as 'charity' and the 'third sector'? Has it already earned a place at the table of EC policymakers? Is this 'old' but 'new' phenomenon awakening scholarly interest?

These questions are discussed in this article. Philanthropy is defined by applying theoretical insights about the concept of philanthropy. Scholarly interest is measured by using the attention paid to philanthropy in leading English-language political science journals between 2000 and 2008 as a yardstick. The results show that though philanthropy is a distinct concept, it receives very little scholarly attention in these journals. The article concludes by arguing that the growth of philanthropy today offers a promising challenge for policymakers in welfare states provided 'private actions for the public good' can be incorporated in the welfare-state paradigm.

# Appendix B

## Methodology

This appendix includes an evaluation of the process of data collection (from July 2009 until May 2010), starting with a definition of the research population, following by a description of the preparatory stage of data collection, the construction of the (online) questionnaire, monitoring of data collection and the response rates.

### Research population

According to the tender instructions the term ‘universities’ is taken to mean all higher education institutions (HEIs), graduating the level of ISCED 5A,5B and 6<sup>1/2</sup> as well as 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> cycle (bachelor, master and doctorate). Despite this unifying scale, there remain some substantial differences between institutions and among countries (cf. OECD (2007) *Education at a Glance: OECD Indicators 2007*. Paris: OECD).

As the subject of the study is ‘fundraising from philanthropy for research funding’, priority was given to *Higher Education Institutions (HEIs) conducting research*. In this regard, the study primarily focuses on universities (public and/or private) awarding Bachelor’s, Master’s and Doctorate degrees (ISCED level 5A and 6). Secondly, the study focuses on (public and/or private) universities of applied sciences, fachhochschulen etc. awarding Bachelor’s and Master’s degree. Mostly these institutions do not award Doctorate degrees. However, they provide direct access to a ISCED level 6 program. In all cases, an important criteria is that they should conduct applied research.

After careful consideration it seemed clear that all institutions providing only level 5B education do not fit the scope of our study since they do not (or extremely rarely) pursue research.

---

1/2ISCED 5A: Tertiary education; theoretically based, research preparatory programmes or programmes with high skills requirements (e.g. Medicine, Architecture). Award Bachelor’s and Master’s degrees.  
ISCED 6: Advanced tertiary education; providing access to research posts, to finish a dissertation. Award Doctorate degree  
ISCED 5B: Tertiary education; practical, technical and occupationally specific programmes. They do not provide direct access to level 6 programmes. Award Bachelor’s degree.

### **Composing lists of research-based HEIs**

We began by composing a list of existing universities in the 27 EU countries to get an impression of the number of universities in each country. The list was based primarily on information gathered through the national rectors' conferences as well as on official lists that were requested from the respective Ministries of Education. To receive information on the Higher Education Institutions we called and emailed the rectors' conferences for direct contact and we conducted internet searches for more information about the numbers and types of Higher Education Institutions. The Ministries were approached by e-mail and phone calls. This did not always prove to be easy and few Ministries actually gave us the information requested. The main problem was one of understanding – especially in South and Eastern Europe.

Other helpful information sources that were used to compose the list were the European University Association's report on 'Higher Education in Europe: The role, structure and tasks of the National Rectors' Conferences of the European University Association' and education network websites (e.g. Erawatch; Eurydice).

### **Identifying the right person to answer the questionnaire**

Once the list comprising all European universities was created, the next step in the preparatory stage of data collection was to identify within each institution the right person to answer the questionnaire. The 'right person' here refers to the person in each university's organisation with the appropriate knowledge of the university's fundraising activities. From July 2009 until approximately the end of February 2010 the research team was engaged with the identification of these contacts, as it constituted a very important and crucial stage in the research. As the degree of co-operation in completing a survey largely depends on reaching the most appropriate person to answer the questionnaire, the research team invested much time and effort to make these efforts as successful as possible.

The plan of action was ostensibly simple: identify the research universities in each country and call them to obtain the contact details of the person/bureau/department responsible for the fundraising activities. But when we started calling the universities to receive information about the right contact person who eventually would be approached to complete the survey, we soon encountered several problems. We found that it took substantial effort to retrieve information about the 'fundraising key person' at each university. In most cases this was due to the variety of fundraising activities within but also between countries. Some universities had no experience whatsoever with fundraising whereas others had already set up a foundation and an alumni



bureau. This made it especially difficult to 'locate' the persons responsible for the fundraising activities. Often, the website of the university gave a good impression of the fundraising activities and proved to be helpful in finding the right person. Sometimes however, the central number of the university had to be called. In these cases finding the right contact was quite a task since the person answering the telephone often did not know who to put us through to.

When we started calling the South and East European countries we were confronted with additional problems. First of all, we were confronted with a language barrier. Due to this language problem it became more difficult to find the right person responsible for fundraising at each university. Moreover, from the reactions we received to our calls we found that South and East European universities are much less active in fundraising than the ones in Northern, Scandinavian and West European countries. The university websites in these countries were also less transparent and provided barely any information on fundraising. Since direct information was scarce, we often needed to call the central university switchboard, which proved to be very time-consuming and rarely led – due to language problems or lack of information – to the right contact person.

To reach as many contacts as possible, the research team employed several student assistants who could speak fluent English, German, French and/or Spanish. This increased the possibility of direct contact through the phone calling strategy especially in countries such as France and Spain. Also for countries such as Germany and Austria direct contact in German made the job of 'identification' less time-consuming.

In this period the research team held almost weekly evaluations to map the progress and to consider improvements. As a result of these regular meetings, the team detected an emerging pattern. In the North and West European countries calling the universities had been quite effective and making direct contact was usually easy and fast. For the South and especially for the East European countries however, the calling strategy became so time-consuming and inefficient in these countries that the team decided to adjust its strategy. We therefore decided that phone calling would continue in the more accessible North and West European countries, whereas universities in the other countries would be approached by email.

In those countries where we did not have much success in making contact by email we decided to use a version of a 'network strategy' and contact universities through experts and intermediaries (e.g foundations, national donor forum, members of the former expert group, etc). We asked every

contact whether networks among the fundraising administrators exist. Also we called and sent emails to experts on the area of fundraising with the request to forward them to their connections in the realm of fundraising. Additionally, we asked them to send us all the information they held on the education and fundraising system of their country. The aim of this was to assemble all information and create an overview of differences and similarities among countries. We established country profiles comprising a short description of the tertiary education system – if available – the education financing system, a short personal assessment of encountered problems, impressions as well as assumptions, and a list of contacted experts and organisations.

In conclusion, the emailing and the network strategy proved to be more successful in Eastern Europe than the phone calling strategy that had been used at the outset. The network strategy in particular produced useful information and gave the research team more insight into the fundraising activities of the East European universities. In Western and Northern Europe on the other hand, the phone calling strategy had been more effective and produced many identified contacts. In total, the combined efforts of the research team produced 491 identified contacts.

### **Revising questionnaire and setting up online survey**

Both VU University and the University of Kent undertook a critical review of the questionnaire (for the final version of the questionnaire, please see Appendix C). We endeavored to retain the most important elements in the original version of the questionnaire, whilst making amendments aimed at improving the response rate, in line with the following principles: the removal of any ‘unnecessary’ questions; the simplification of language wherever possible; ensuring that the options are exclusive or are clearly labeled; and ensuring that the wording makes sense to respondents in all countries.

The next phase in the research involved the setting up and construction of the online questionnaire. The information gathering was facilitated by use of a piece of software called Examine. This is a unique application – designed and patented by VU University Amsterdam – for the development of online surveys, online data collection and the direct transportation of the results into EXCEL or SPSS.

To make the questionnaire available to as many people as possible in order to obtain the highest possible response rate, the questionnaire was available in seven languages: English, German, French, Spanish, Portuguese, Italian and Polish. These languages were chosen on the basis that most of our contacts were likely to speak one of them. A professional website was created through

which the respondents could easily choose a language and start the questionnaire. The URL of the website is: [www.europeansurvey.eu](http://www.europeansurvey.eu).

In order to refine the design and ensure it operated correctly, the online version of the questionnaire was extensively tested by the research team as well as by external contacts in the Netherlands and the UK.

### **Period of data collection**

Data collection started towards the end of February 2010 and closed in mid May 2010. Once the questionnaire was online, a total of 1042 contacts were sent an invitation (the text of this invitation is reproduced at the end of this appendix) for the European survey. Of these, 491 invitations were emailed to the key-person whose contact details we acquired in the first stage of our research. The remaining institutions (551) received invitations addressed to the rectors' offices. Because of the gradually progressing flow of completed questionnaires at the start, the research team invested a lot of extra time in persuading HEIs to participate in this survey. In order to ensure the maximum coverage of the survey, we sent reminders (the text of this reminder is reproduced at the end of this appendix) in several languages and we chased HEIs on the phone. We also tried to get insight into the non responders by means of a non-response questionnaire (the content of this non-response questionnaire is reproduced at the end of this appendix). All of these documents - the invitations, the reminders and the non response questionnaire - were available in the same languages as the questionnaire itself (English, German, French, Spanish, Portuguese, Italian and Polish). The emails were sent in the most appropriate language for each contact.

### **Response rate**

A table summarising the responder rate by country is provided at the end of this appendix. As described above, the total number of institutions contacted was 1042. Of these 47% are contacts that were acquired in the identification phase and the remaining 53% were contacts addressed to the rectors offices. The response rate for our identified contacts is 27%, meaning that from our 491 identified contacts 133 contacts completed the questionnaire. The response rate for the rectors' offices is, as expected, substantially lower at 5.6%. This means that only 31 out of the 551 contacted rectors' offices have completed the questionnaire. Emailing the survey directly to identified contacts was, therefore, over four times more effective than emailing the survey to the rectors' offices. In total, from the 1042 addresses that were contacted, 164 have either fully or partially completed the questionnaire. This entails a total response rate of 15.73%. From the 164

questionnaires that we received, 130 were fully completed and 34 were partially completed. Three questionnaires were anonymously completed.

**Table 1 : Number of contacted HEIs and completed questionnaires**

	Contacted HEIs	Completed questionnaires
Identified key persons	491	133
Rector's office	551	31
Total	1042	164

### Response rate by country

The response rate by country describes the percentage of completed questionnaires received out of the total number of contacts for each country. A response rate of 0% thus indicates that none of our contacts (identified or rector's office) in that country completed the questionnaire. The following response rates can be reported for the 27 EU countries:

Austria (17.65%); Belgium (30.77%); Bulgaria (10.20%); Cyprus (33.33%); Czech Republic (8.82%); Denmark (71.43%); Estonia (22.22%); Finland (23.08%); France (15.08%); Germany (14.04%); Greece (5.56%); Hungary (0%); Ireland (28.57%); Italy (11.49%); Latvia (15.00%); Lithuania (20.00%); Luxembourg (0%); Malta (0%); Netherlands (73.33%); Poland (8.23%); Portugal (7.69%); Romania (4.17%); Slovenia (25.00%); Slovak Republic (6.67%); Spain (7.14%); Sweden (15.38%); United Kingdom (26.99%).

We suggest there are three viable explanations for the level and distribution of the response rate, as follows, all of which warrant further investigation:

- 1) It reflects the extent to which universities are actively involved in fundraising for research from philanthropic sources and have identifiable personnel in place to provide information on this process.
- 2) It reflects the willingness and/or ability of respondents to respond to the request to provide information on their experiences of fundraising for research from philanthropic sources.
- 3) It reflects the ability of researchers to identify, make contact with and solicit a response from relevant individuals within universities who can provide information on experiences of fundraising for research from philanthropic sources.

## Overview of response rate

Country	Number of contacted HEIs			Response			Response by type of Contacts		
	contacts	Rector's office	Total	Total Response	Fully completed	Partly completed	contacts	Rector's offices	Total
Austria	34		<b>34</b>	<b>6</b>	5	1	6		6
Belgium	9	4	<b>13</b>	<b>4</b>	4		4	0	4
Bulgaria	2	47	<b>49</b>	<b>5</b>	5		2	3	5
Cyprus	3	3	<b>6</b>	<b>2</b>	2		2	0	2
Czech Republic	3	31	<b>34</b>	<b>3</b>	2	1	2	1	3
Denmark	5	2	<b>7</b>	<b>5</b>	4	1	4	1	5
Estonia	6	3	<b>9</b>	<b>2</b>	1	1	2	0	2
Finland	13		<b>13</b>	<b>3</b>	2	1	3		3
France	33	72	<b>105</b>	<b>16</b>	12	4	9	7	16
Germany	114		<b>114</b>	<b>16</b>	10	6	16		16
Greece	4	14	<b>18</b>	<b>1</b>	1		1	0	1
Hungary	2	19	<b>21</b>	<b>0</b>	0	0	0	0	0
Ireland	7		<b>7</b>	<b>2</b>	1	1	2		2
Italy	12	75	<b>87</b>	<b>10</b>	6	4	3	7	10
Latvia	1	19	<b>20</b>	<b>3</b>	3		1	2	3
Lithuania	5	10	<b>15</b>	<b>3</b>	3		3	0	3
Luxembourg	1		<b>1</b>	<b>0</b>	0		0		0
Malta	1		<b>1</b>	<b>0</b>	0		0		0
Netherlands	15		<b>15</b>	<b>11</b>	8	3	11		11
Poland	30	55	<b>85</b>	<b>7</b>	7		7		7
Portugal	7	32	<b>39</b>	<b>3</b>	3		2	1	3
Romania		72	<b>72</b>	<b>3</b>	1	2		3	3
Slovenia		4	<b>4</b>	<b>1</b>		1		1	1
Slovak Republic		15	<b>15</b>	<b>1</b>		1		1	1
Spain	3	53	<b>56</b>	<b>4</b>	4		0	4	4
Sweden	18	21	<b>39</b>	<b>6</b>	5	1	6	0	6
United Kingdom	163		<b>163</b>	<b>44</b>	40	4	44		44
Anonymous				<b>3</b>	1	2	3		<b>3</b>
<b>Total</b>	<b>491</b>	<b>551</b>	<b>1042</b>	<b>164</b>	<b>130</b>	<b>34</b>	<b>133</b>	<b>31</b>	<b>164</b>

## Non response

In order to acquire a better understanding of the reasons behind non-responses, all those institutions that did not complete the survey, despite multiple reminders and prompting, were asked to complete a simple, online non-response questionnaire. In the questionnaire the respondent was asked why he/she chose not to participate in the survey. Multiple options were presented such as 'No time' or 'Our university does not raise funds from philanthropic sources' (table 2 presents the options and the results). The respondent could tick multiple answers and/or fill in another reason for not participating.

For the identification purposes we asked respondents to fill in the name of their institution and their country. The goal of this questionnaire was to find out why people did not participate in the survey. The global results of the non-response survey can be found below. In total, 26 respondents completed the non-response questionnaire. Since the respondents could choose multiple options the numbers of table 2 do not add up to 26.

**Table 2: Non-response questionnaire results**

<b>Answer</b>	<b>Number of times filled in</b>
Our university does not raise funds from philanthropic sources	6
There is no person responsible for fundraising	4
I am not the right person to fill in the questionnaire	6
Language barrier	1
No time	6
Other	10

## **Text of original invitation to participants (by Email)**

**Dear Sir/Madam,**

Please can you find 15 minutes to assist with a European Commission-funded project, which seeks to better understand and promote philanthropy in European universities?

The study is concerned with the importance of philanthropic funding in European universities in general, and specifically in support of university-based research. Please note that by 'philanthropic funding' we mean all monetary contributions from foundations, trusts, alumni, corporations, wealthy individuals etc.

VU University Amsterdam and Kent University in the UK are leading this research and are pleased to have the support of the Research Directorate-General of the European Commission. Mr. Isi Saragossi, Director of the Directorate 'European Research Area: Knowledge-based economy', encourages the higher education institution's to participate by filling in the questionnaire and welcoming the survey as a chance for learning, evaluating and improving fundraising activities.

To start the questionnaire, simply click [here](#) or please visit the website [www.europeansurvey.eu](http://www.europeansurvey.eu) .

The questionnaire is available in 7 languages (English, German, French, Italian, Spanish, Polish, Portuguese). If you want to participate in this research but you are not able to fill in the questionnaire because of the language, please let us know by sending an e-mail to [europeansurvey@fsw.vu.nl](mailto:europeansurvey@fsw.vu.nl) .

All individual responses will be treated as confidential. The aggregate results of the survey will be made available to a wider audience.

If you are not the most appropriate person to fill in this questionnaire, we would appreciate it if you could forward this e-mail to a colleague who does have knowledge about your institution's fundraising activities.

Thank you so much for reading this cover letter and I sincerely hope you will decide to complete this survey.

Sincerely yours,

Professor Theo Schuyt

VU University Amsterdam Department Philanthropic Studies

## **Text of reminder Email sent to non-participants**

Dear Sir/Madam,

You may recall that I recently asked you to fill in a questionnaire about fundraising from philanthropy in your university. Below, you will find the original e-mail that was sent to you. We sent this survey to 1000 European universities and we are glad to have received many enthusiastic responses. Unfortunately, we have not received an answer from you so far. Therefore, we would like to request you kindly to allocate a couple of minutes to answer our questions. As your cooperation in this research is crucial for the development of it, we appreciate your contribution very much.

To fill in the questionnaire, please follow this link: [www.europeansurvey.eu](http://www.europeansurvey.eu)

The questionnaire is available in 7 languages (English, German, French, Italian, Spanish, Polish, Portuguese).

However, if you are not willing or able to participate in this project, please follow this link: [Click here](#)

We hope this e-mail reaches you safely. If we do not receive an answer within two weeks, we will try to reach you by phone.

Thank you very much in advance for your help.

Sincerely yours,

Professor Theo Schuyt

VU University Amsterdam

Department Philanthropic Studies



**Non Response Questionnaire (English) sent to all those who did not reply to the reminder email**

Dear Sir/Madam,

Could you please take 1 minute to fill in why you are not able to participate in the survey concerning fundraising at European universities.

Please click 'next' to continue.

A. Please indicate: What are the most important reasons for not participating in this survey?

Please tick all that apply:

- Our university does not raise funds from philanthropic sources
- There is no person responsible for fundraising
- I am not the right person to fill in the questionnaire
- Language barrier
- No time
- Other, please specify .....

B. Name of Institution: .....

Country: .....

Thank you very much for your cooperation.

If you have any questions about this questionnaire please contact [europiansurvey@fsw.vu.nl](mailto:europiansurvey@fsw.vu.nl)

# Appendix C

## Questionnaire

Letter to all recipients with initial mailing:

Dear XXX,

Thank you for making time to complete this survey. Your assistance is greatly appreciated by the research team and the European Commission who have commissioned and funded this survey.

This survey will assess the importance of philanthropic funding in European universities in general, and specifically in support of university-based research.

We would like to draw your attention to the definition of 'philanthropic funding' used in this research. 'Philanthropic funding' includes all funds, capital assets and gifts in kind received from philanthropic individuals and organisations (excluding governments). This includes gifts and awards from these services but not payments for services. Contract research, therefore, does not qualify as philanthropic funding. Competitive research funding from philanthropic sources such as foundations and trusts, however, does count as philanthropic funding.

## Section A General information on your institution

### A1 Please provide the following information

- A101 Name of institution.....
- A102 Address.....
- A103 Country.....
- A104 Name of respondent.....
- A105 Job title and department of respondent.....
- A106 Phone number
- A107 e-mail.....

[if answer A2 Master's degree=no, stop filling in questionnaire]

### A2 Does your institution award Bachelor's, Master's or Doctorate degrees?

	Yes	No
A201 Bachelor's degree		
A202 Master's Degree		
A203 Doctorate Degree		

### A3 Does your institution conduct research?

*Please note that for the purpose of this study, the definition of research includes fundamental research, industrial research and experimental development. It includes not just scientific and technological research but also research in social sciences and humanities.*

0 yes

0 no

0 don't know

If answer to question A3=no (institutions don't conduct research), institutions had to stop filling in the questionnaire and were sent the following message:

*Unfortunately, higher education institutions not conducting research are beyond the scope of this survey. This questionnaire does not apply to your institution. Thank you very much for your time.*

**A4. What is the official status of your institution?**

Please tick one only.

Public entity	
Private non-profit entity	
Private profit-seeking entity (e.g. with profits distributed to shareholders)	
Mixed public-private entity	
Entity with strong connections with other authorities (e.g. religious)	
Other, please specify	
Not known	

**Section B – Funding from philanthropic sources**

**B1. Has your institution made efforts to raise funds from any of the following philanthropic sources since January 2005?**

- B1a. Alumni Yes / No/ don't know
- B1b. Wealthy individuals Yes / No/ don't know
- B1c. Charitable trusts and foundations Yes / No/ don't know
- B1d. Corporations Yes / No/ don't know
- B1e. Other (B1foll. please specify) .....

[If answer B1a and B1b and B1c and B1d and B1e = no, go to B3]



**B4. What type of contributions from philanthropic sources have you received and how often?**

Type	Never	Sometimes	Often
B401. One-off donations from individuals, corporations, etc			
B402. Regular donations from individuals, corporations etc.			
B403. Legacies / Bequests			
B404. Gifts in Kind			
B405. Gifts of capital assets (e.g. land or property)			
B406. Grants from charitable trusts and foundations			
B407. Hypothecated donations (funds or property pledged as security for a debt)			
B408. Other			

B408fol.

If you have received any other type of contributions from philanthropic sources, please specify them .....

**B5 Does your institution receive income from interest on any historic endowments (large donations made in the past)?**

0 Yes

0 No

0 Don't know

**B6 How is the task of raising funds from philanthropic sources handled?**

	Yes	No	Don't know
B601. By a general university development office			
B602. By an alumni office			
B603. By an industrial liaison office			
B604. By a special philanthropic fundraising unit within your own institution			
B605. By a dedicated foundation within your own institution			
B606. By collaborating with a foundation outside your own institution			
B607. By external, professional fundraising organisations			
B608. By individual research staff members			
B609. With the help of volunteers (e.g. students)			
B610. Other (B610 foll. please specify.....)			

**B7. Does your institution have a formal policy on fundraising?**

0 Yes

0 No

0 Don't know

**B8a. How committed is the management and governance of your institution to fundraising from philanthropic sources?**

*Please answer the question with a number from 1-10, where 1='not at all' and 10= 'very'*

1    2    3    4    5    6    7    8    9    10

**B8b. How committed is the academic staff of your institution to fundraising from philanthropic sources?**

*Please answer the question with a number from 1-10, where 1='not at all' and 10= 'very'*

1    2    3    4    5    6    7    8    9    10

**B9a. Please provide the total income of your institution for the last financial year that figures are available (please provide estimates if precise figures are not available)?**

B9a01      Total =

B9a02      Currency =

B9a03      Year =

**B9b. What percentage of your institution's total income comes from philanthropic funding (please estimate if necessary)?**

.....%

Please fill in 999 if you do not know the answer.



## Section C Support to university-based research

*The following questions focus on the contributions from philanthropic sources used to support university-based research.*

*Please note that for the purpose of this study, the definition of research includes fundamental research, industrial research and experimental development. It includes not just scientific and technological research but also research in social sciences and humanities.*

*Please also note that 'funding for research' should be interpreted in a broad way (i.e. to include endowing chairs, research projects, scholarships, scientific prizes, buildings, etc.)*

**C1. Has your institution made efforts to raise funds for research from any of the following philanthropic sources since January 2005?**

- |   |                      |
|---|----------------------|
| C1a. Alumni                               | Yes / No/ don't know |
| C1b. Wealthy individuals                  | Yes / No/ don't know |
| C1c. Charitable trusts and foundations    | Yes / No/ don't know |
| C1d. Corporations                         | Yes / No/ don't know |
| C1e. Other (C1efoll. please specify.....) |                      |

[If answer C1a and C1b and C1c and C1d and C1e = no, go to C4]

**C1foll. You have indicated that you have made efforts to raise funds for research from at least one of the five philanthropic sources that were mentioned in the previous question (Alumni, Wealthy individuals, Charitable trusts and foundations, Corporations and Other sources).**

**Could you please indicate how successful your fundraising efforts are for these philanthropic sources?**

- |         |                        |
|---------|------------------------|
| C1aNumb | Alumni                 |
| C1bNUmb | Wealthy individuals    |
| C1cNumb | Charitable individuals |
| C1dNumb | Corporations           |
| C1eNumb | Other                  |

Please answer the question with a number from 1-10, where 1= 'not at all successful' and 10= 'very successful'.

1      2      3      4      5      6      7      8      9      10

**C2. You have indicated that your institution has actively sought funding from philanthropic sources specifically to support research, therefore please tell us more about the strategies that you use:**

C2a. How often does your institution seek philanthropic funding for research projects?

- 0      Never/infrequently
- 0      Occasionally
- 1      Always/frequently

C2b. Does your fundraising strategy focus on (please tick one only):

- 0      securing a small number of large gifts
- 0      securing a large number of small gifts
- 1      equal focus on both large and small gifts

C2c. Does your institution have differentiated strategies for different types of donor (e.g. alumni, major donors, foundations, corporations)?

- 0      Yes
- 1      No
- 0      Don't know

C2d. Do you have fundraising staff who specialise in fundraising from different types of donor (e.g. alumni, major donors, foundations, corporations)?

- 0      Yes
- 0      No
- 1      Don't know

C2e. In order of priority, which donors are most important to your institution (please number from 1=most important to 4=less important)

Alumni	..
Wealthy individuals	..
Charitable trusts and foundations	..
Private corporations	..

C2f. Has your institution produced materials - such as leaflets, brochures or a website - to attract donors?

0 Yes  
0 No  
0 Don't know

C2g. Does your institution use a database to manage relationships with donors and potential donors?

0 Yes  
0 Not yet, but we are working on it  
0 No  
0 Don't know

C2h. Does your institution have historical links with specific donors?  
(please tick all that apply)

0 Yes - with wealthy individuals  
0 Yes - with charitable trusts and foundations  
0 Yes - with private corporations  
0 No

C2i. Does your institution reward staff for attracting philanthropic donations or research awards from philanthropic bodies? (please tick all that apply)

- 1 Yes - with a financial reward (either salary increase or bonus)
- 1 Yes - successful fundraising is a factor in promotion decisions
- 1 Yes - with praise and recognition
- 1 Yes - other types of reward (please indicate)
- 1 No

C2j. Do you offer recognition to donors who support your institution?

- 0 Yes
- 0 No

C2jV If yes,

What form of recognition do you offer? (tick all that apply)

- 0 Personalised thank you letter from a senior member of the university
- 0 Membership of a club or scheme for supporters
- 0 Invitation to events for donors
- 0 Donor invited to join a committee or other special group
  
- 0 Donor's name displayed within relevant literature
- 0 Donor's name displayed in a public place
- 0 Donor's name used in title of post funded (e.g. Smith Chair of Physics)
- 0 Donor's name used in title of institution funded (e.g. Smith Physics Centre)
- 0 Awards for donors
- 0 Other (please specify)

C2k. Does your institution have systems in place to report on and measure fundraising activities?

- 0 Yes
- 0 No
- 0 Don't know

C2I. Do you keep donors informed about the outcomes and impact of their gift?

Never/infrequently

Occasionally

Always/frequently

**C3. Please use the space below to add any further information about your strategy for successfully raising funds for research from philanthropic sources?**

**C4. Has your institution used philanthropic contributions to fund research since January 2005?**

yes

no

don't know

[if answer C4 = no, go to section E]

**C5. Please indicate the average amount of philanthropic funds annually raised for research?**

Less than 100,000 euro's

Between 100,000 – 1,000,000 euro's

Between 1,000,000 – 10,000,000 euro's

More than 10,000,000 euro's

don't know

**C6 In general, who controls how philanthropic funding is spent on research?**

- 0 The donor
- 0 My institution
- 0 Donor and institution together
- 0 Don't know

**C7. How are contributions from philanthropic sources typically used to support research?**

	Yes	No	Don't know
C701. Funds are made available to all relevant staff to perform research			
C702. Funds are made available to specific departments/fields to undertake research			
C703. Funds are made available to specific individuals to perform research			
C704. Funds are designated for new research projects			
C705. Funds are used to employ new research chairs, fellowships and researchers			
C706. Funds are used to pay for prizes rewarding research achievements and excellence			
C707. Funds are used to support to PhD programmes and scholarships			
C708. Funds are used to purchase new research equipment			
C709. Funds are used to pay for other research infrastructure (e.g. new or refurbished research buildings)			
C710. Funds are used for research management and administration			
C711. Other (C711 foll. Please specify...)			

**C8. To what extent do you agree or disagree with the following impacts of receiving philanthropic funding for research?**

	totally disagree	disagree	neutral	agree	totally agree
C801. Philanthropic funding results in greater autonomy in the choice of research topics					
C802. Philanthropic funding results in the opportunity to do more or better quality research in general					
C805. Philanthropic funding improves research equipment and infrastructure					
C806. Philanthropic funding enhances management and administration of research					
C807. Philanthropic funding enhances opportunities to attract new researchers or allow staff to develop research careers					
C808. Philanthropic funding results in greater ability to attract first class academic staff and students					
C809. Philanthropic funding enhances the image or standing of my university					
C810. Philanthropic funding results in a focus on research not in line with my institution's main research interests or priorities					
C811. Philanthropic funding results in a focus on short-term research at the expense of long-term research					
C812. Philanthropic funding results in less incentive to participate in international competitive research programmes					
C813. Philanthropic funding results in problems arising from the discontinuities associated with philanthropic research funding					
C814. Philanthropic funding results in IPR (Intellectual Property Rights) limitations imposed by sources of philanthropic funds					

C815.Philanthropic funding results in restrictions on the allocation of funds (e.g. to cover infrastructure costs)					
C816. Philanthropic funding results in the gradual substitution of public funding					

**C9. What factors have affected the success or failure of efforts to secure funds for research from philanthropic sources?**

	Negative factor	Neutral factor	Positive factor	Don't know
C901.The autonomy of our institution				
C902.Levels of transparency and accountability in our institution				
C903. Commitment of senior academic leaders to fundraising activities				
C904. Commitment of other research staff to fundraising activities				
C905. Commitment of administrative staff to fundraising activities				
C906.Existing structures for raising philanthropic funding in general				
C907. Specific strategies for raising philanthropic funding for research				
C908. Our institution's existing relationships with philanthropic sources				
C909.Our institution's existing fiscal, legal and regulatory frameworks				
C910.General macroeconomic conditions				
C911.General fiscal, legal and regulatory framework in our country				
C912.General cultural attitudes to philanthropy in our country/region				
C913.Government schemes to promote philanthropy (e.g. the provision of matching funds)				



**C10. Do you intend to continue to raise funds for research from philanthropic sources in the future?**

0 Yes

0 No

0 Don't know

## Section D

[To be completed only for institutions that didn't receive contributions from philanthropic sources since 2006, see section B]

[if answers B1a and B1b and B1c and B1d and B1e = no and answers B3a and B3b and B3c and B3d and B3e = no, go to section D]

[if answers B1a or B1b or B1c or B1d or B1e = yes and answers B3a and B3b and B3c and B3d and B3e = no, go to section D]

**D1. You have indicated that your institution has not received contributions from philanthropic sources since January 2005.**

**Please indicate, to what extent do you agree or disagree with the following reasons for not receiving philanthropic funding?**

	totally disagree	disagree	neutral	agree	totally agree
D101. We did not make any efforts to raise funds from philanthropic sources					
D102. Our fundraising activities are not sufficiently resourced					
D103. There is a lack of interest and commitment by senior administrative and research staff					
D104. There is a lack of adequate internal strategies and structures to pursue philanthropic funding					
D105. There is a lack of familiarity with sources of philanthropic funding					
D106. There is an unfavourable tax, legal and regulatory frameworks in our country					
D107. There are unfavourable macroeconomic conditions					
D108. There are unfavourable cultural attitudes to philanthropy in our country/region					

**D2. Does your institution intend to try to raise funds from philanthropic sources in the future?**

0 Yes

0 No

**D3 If yes, can you please briefly indicate what is the most important that needs to change before you can begin your fundraising efforts?**

## Section E

[To be completed only for institutions that didn't allocate philanthropic contributions to research since 2006, see section C]

[if answer C4=no, go to section E]

**E1. You have indicated that your institution has not allocated philanthropic funds for research.**

**Please indicate, to what extent do you agree or disagree with the following factors that influenced this decision?**

	totally disagree	disagree	neutral	agree	totally agree
E101.No philanthropic contributions for research were received by our institution					
E102. We did not make any efforts to raise funds from philanthropic sources for research					
E103. We have more important alternative uses for philanthropic contributions					
E104. We have enough funding for research from alternative sources					
E105.There are legal or regulatory barriers to the allocation of contributions to research					

**E2. You have indicated that your institution has not actively sought to raise philanthropic funds for research.**

**Please indicate, to what extent do you agree or disagree with the following factors that influenced this decision?**

	totally disagree	disagree	neutral	agree	totally agree
E201. Our fundraising activities are not sufficiently resourced					
E202. We are too preoccupied with raising funds for activities other than research					
E203. We are too preoccupied with raising funds for research from non-philanthropic sources					
E204. There is a mismatch between the priorities of our institution and sources of philanthropic funds for research					
E205. IPR (Intellectual Property Rights) imposes limitations on fundraising from philanthropic sources					
E206. There is a lack of interest and commitment by senior administrative and research staff					
E207. There is a lack of adequate internal strategies and structures to capture philanthropic funding					
E208. There is a lack of familiarity with sources of philanthropic funding					
E209. There are unfavourable tax, legal and regulatory frameworks in our country					
E210. There are unfavourable macroeconomic conditions					
E211. There are unfavourable cultural attitudes to philanthropy in our country/region					

**E3. Do you intend to try to raise funds for research from philanthropic sources in the future?**

0 Yes

0 No

0 Don't know

**E4 If yes, can you please briefly indicate what is the most important that needs to change before you can begin your fundraising efforts?**

Thank you very much for your time. Please be assured that all your replies will be treated in strict confidence. For more information on this questionnaire please contact:

# Appendix D

## Welfare State regimes typology and Geographical region

The philanthropy market place is not simply constructed by philanthropic supply and HEI's demands, this market is also conditioned by social, legal, economic, historic and political factors. Therefore, the prevalence of philanthropy has to be contextualised, which means acknowledging that philanthropy depends heavily on the societal conditions which surrounds it. For example, the presence of a "giving culture" or a national feeling of "civic-mindedness" may breed potential donors.

The 'welfare regime' that exists in any given country is one such contextual factor. According to the Esping-Andersen typology, three types of welfare state regimes exist: social democratic regimes, liberal regimes, and corporatist or conservative regimes. The types differ with respect to: the institutions guaranteeing social security (the state, the market or the family); the kind of stratification systems (status and class differentiation); and the degree of de-commodification, i.e. *"the degree to which individuals, or families, can uphold a socially acceptable standard of living independently of market participation"* (Esping-Andersen 1990:37).

Anheier and Daly (2007: 14-20), scrutinise the role and position of foundations in Europe and offer a slightly different, and extended, typology of 'welfare regime':

- Social democratic: Sweden, Norway, Denmark, Finland
- Corporatist (state-centred): France, Belgium, Luxembourg
- Corporatist (civil society-centred): Germany, Netherlands, Austria, Switzerland, Liechtenstein
- Corporatist (Mediterranean): Spain, Italy, Portugal
- Liberal: UK
- Statist (peripheral): Ireland, Greece
- Statist (post-socialist): Czech Republic, Estonia, Hungary, Poland,

For the purposes of this report, the Esping-Andersen typology and the Anheier–Daly categorisation are integrated into 6 conditional societal types in relation to philanthropic research funding, as follows:

1. **Social Democratic:** In countries where research and education are considered to be part of the core role of welfare state policies, HEI's do not feel any urgency in developing fundraising policies. Nevertheless, some social democratic regimes recognise and invite private initiative to benefit the public good.
2. **Liberal:** HEI's in liberal countries have a market-orientation, they own a broad constituency. Philanthropically-funded professorships/chairs and the philanthropic funding of research, buildings and events will be a significant part of the HEI's budget.
3. **Mediterranean Corporatist:** In countries with this type of regime, there exist interrelationships between the state and the dominant religion (which is usually Roman Catholic). If HEI's are strongly linked to dominant religion foundations they are likely to receive private philanthropic funding.
4. **Post Socialist Statist:** In countries with this type of regime, HEI's are accustomed to receiving all their funding from the state. Therefore, a "philanthropic giving culture" does not exist with regard to the funding of research.
5. **Corporatist:** The social midfield of interest groups makes the HEI's constituency; networks of support groups are likely to fund research.
6. **Statist** (peripheral): In countries with this type of regime, philanthropic foundations are service-providers that compensate for short-falls in public sector funding (Anheier and Daly; idem: 19). HEI's with links to foundations are likely to gain private funding for research.

In summary, if a society harbours a liberal market system of research funding, philanthropy is likely to be a serious source of income, whereas if the role of government is dominant in research funding, philanthropy will be a more modest player.

History also has to be taken into account. Research HEI's in Eastern European countries will probably not be very accustomed to raising funds, because they are in a process of transformation into the direction of a "civil society". But, perhaps surprisingly, in some mature welfare states in north-west Europe, some HEI's have not feel any urgency in setting up a fundraising campaign. Their focus is mainly on government funding, indicating a so-called "professional- bureaucratic" attitude in preparing their annual reports and formulating their budget estimations. Thus political contexts do matter.



<b>EU countries</b>	<b>Geographical region</b>	<b>Type of Welfare State</b>
Austria	A	5
Belgium	A	5
Bulgaria	C	4
Cyprus	D	6
Czech Republic	C	4
Denmark	B	1
Estonia	C	4
Finland	B	1
France	A	5
Greece	D	6
Germany	A	5
Hungary	C	4
Ireland	A	6
Italy	D	3
Latvia	C	4
Lithuania	C	4
Luxembourg	A	5
Malta	D	3
Netherlands	A	5
Poland	C	4
Portugal	D	3
Romania	C	4
Slovakia	C	4
Slovenia	C	4
Spain	D	3
Sweden	B	1
UK	A	2

### **Key to Geographical Regions**

- A. Northern-Western European
- B. Northern European (Scandinavian countries)
- C. Eastern Europe
- D. Southern Europe (Mediterranean countries)

### **Key to typology of Welfare State regimes**

- 1. Social Democratic
- 2. Liberal
- 3. Mediterranean Corporatist
- 4. Post Socialist States
- 5. Corporatist
- 6. Statist (peripheral)

# Appendix E

## Answers to question C3:

'Please use the space below to add any further information about your strategy for successfully raising funds for research from philanthropic sources'

1. Nationwide campaign for the promotion of research and innovation and its importance for economic growth; The establishment of a university business office for the promotion of entrepreneurship; The establishment of a separate admin entity.
2. A lot of what is asked is being built up - central fundraising has just started in 2010. Decentralised fundraising for research has gone on for about 100-130 years.
3. Emag Alumni newsletter.
4. Focus is on engaging and building relationships with financially capable alumni through strategic use of data and targeted funding priorities.
5. Fundraising strategies are often designed around specific capital projects. While for research there is just a broad strategy.
6. Important element of our Case for Support, so foremost in our dealings with potential donors, especially as solving many of the world's problems will only be achieved via university research. The University is also firmly attached to the expansion of applied research, where funds are sourced from the corporate sector.
7. In our activities we focus on the research areas where our university has won special academic recognition
8. Not a strategy, but important to get the academics out of their comfort zone talking about what \*might\* happen if the research goes ahead and everything is as successful as could be hoped for.

9. We have only just begun to implement a really comprehensive and strategic fundraising programme... The University has a tradition of researchers raising money with no overview held by any central department, we are trying to introduce the overview now.
10. Ten years ago we started with a friendraising programme for alumni and friends. Nowadays we are exploring the field of fundraising, with the main focus on alumni. In the next years we want to move forward with a major giving programme.
11. The Development & Alumni Office with a substantial formation only started in 2009, so a number of initiatives still have to be introduced, for example a Website University Fund, Alumni Fund, legal framework for endowment funds and a reward system for donors is under development etc.
12. Using the contacts already developed by academics
13. We aim to ensure that our fundraising strategy flows from our institution strategy and priorities and development activity is appropriately integrated with university planning. We also recognize the non-financial benefits of development activity and processes
14. We attract non-expert donors by presenting 'big picture' advances rather than concentrating on incremental advances in science which can be difficult to understand.
15. We have developed a series of composite funding models for our research programmes which are attractive to different types of funders. In essence we use an overarching 'case' e.g. a Centre for Climate Change and within this, we seek funding for the research programmes. In this way a funder feels that they are contributing to a body of knowledge rather than funding a single post, or a series of individual studentships.
16. We try to stay in touch with our donors, informing them about the use of their donations and its results.

17. Essentially, by sponsoring a research chair. Occasionally, depending on the topic, by specific contacts for specific issues.
18. Fundraising is a new activity at [our university]. A policy to raise funds from alumni will be developed.
19. Dialogue with persons or responsible leaders of foundations or companies.
20. Institutional fundraising. International research projects.
21. Sponsoring meetings with staff members and other events.
22. Through direct contacts with donors and the use of networks.

# Appendix F

## References

Amaral, A. Jones G. A. and Karseth, B. (eds) (2002) *Governing Higher Education: National Perspectives on Institutional Governance*, Dordrecht: Kluwer Academic Publishers

Anheier, H.K. and S. Daly (eds) (2007) *The Politics of Foundations. A comparative analysis*  
London: Routledge

Armbruster, C. (2008) 'Research Universities: Autonomy and Self-Reliance After the Entrepreneurial University', *Policy Futures in Education*, 6(4): 372-89

Azagra-Caro, J. M., Caratt, G. and Pontikakis, D. (2010) 'Inclining the columns to make the temple look straight: a first glance at monetary indicators on university-industry cooperation', *Research Evaluation*, 19(2):119-28

Baade, R. A. and Sundberg, J. O. (1996) 'What Determines Alumni Generosity?', *Economics of Education Review*, 15(1): 75-81

Benninghoff, M. Perellon, J-F, Leresche, J-Ph. (2005) *L'efficacité des mesures de financement dans le domaine de la formation de la recherche et de la technologie. Perspectives Européennes Comparées et leçons pour la Suisse*, Les Cahiers de l'Observatoire, Lausanne

Bonaccorsi, A. Daraio, C. and Lepori, B. (2005) 'Indicators for the analysis of higher education systems', paper presented at the Lisbon Workshop on S&T indicators production, Lisbon 22-23 September 2005

Caboni, T. C. (2001) *The Normative Structure of College and University Fundraising*, PhD. Thesis, Vanderbilt University

Caboni, T. C. (2003) 'Accumulative Advantage and the Voluntary Support of Higher Education'. Paper presented at the annual meeting of the American Educational Research Association, Chicago, IL. Available at: <http://people.vanderbilt.edu/~tim.caboni/accum.pdf>

Caboni, T. C. (2007) 'Dissertations Related to Fundraising and their Implications for Higher Education Research', Paper presented to the Associations for the Study of Higher Education, Louisville, KY. Available at: [http://peabody.vanderbilt.edu/Documents/pdf/faculty/lpo/Caboni\\_Proper\\_ASHE07.pdf](http://peabody.vanderbilt.edu/Documents/pdf/faculty/lpo/Caboni_Proper_ASHE07.pdf)

Caboni, T. C. (2010) 'The Normative Structure of College and University Fundraising Behaviours', *The Journal of Higher Education*, 81(3): 339-65  
Calhoun, C. (2006) 'The University and the Public Good', *Thesis Eleven*, 84(February): 7-43

Clotfelter, C. T. (2003) 'Alumni Giving to Elite Private Colleges and Universities', *Economics of Education Review*, 22: 109-20

Conraths, B. and Smidt, H. (2005) *The Funding of University-Based Research and Innovation in Europe*, Brussels: European University Association

Cremonini L. Westerheijden, D. and Jürgen Enders, J. (2008) 'Disseminating the right information to the right audience: cultural determinants in the use (and misuse) of rankings', *Higher Education* 55(3): 373-85

Esping-Andersen, G. (1990). *The Three Worlds of Welfare Capitalism* Cambridge: Polity Press

Etkowitz, H. (2003) 'Research Groups as 'Quasi-Firms': The Invention of the Entrepreneurial University', *Research Policy*, 32: 109-21

European Communities (2006) *Changes in University Incomes: Their Impact on University-Based Research and Innovation*, Brussels: European Communities

European Communities (2008a) *Impact of External Project-Based Research Funding on Financial Management in Universities*, Brussels: European Communities.

European Communities (2008b) Engaging Philanthropy for University Research. Fundraising by university from philanthropic sources: developing partnerships between universities and private donors – Report by an Expert Group, Brussels: European Communities

European Foundation Centre (2005) Giving More for Research in Europe: Strengthening the Role of Philanthropy in the Financing of Research – Conference Report, Brussels: European Communities

Geuna, A. (2001) 'The Changing Rationale for European University Research Funding: Are there Negative Unintended Consequences?', *Journal of Economic Issues*, 35(3): 607-32

Geuna, A. and Martin, B. R. (2003) 'University Research Evaluation and Funding: An International Comparison', *Minerva* 41: 277–304, 2003.

Gilby, N. Lloyd, C. and Shaw, A. (2010) Ross-CASE Survey 2008-9: Final Report, National Centre for Social Research

Holmes, J. (2009) 'Prestige, Charitable Deductions and other Determinants of Alumni Giving: Evidence from a highly selective liberal arts college', *Economics of Education Review* 28: 18-28

Kaiser, F. Vossensteyn, H. and Koelman, J. (2001) 'Public Funding of Higher Education: A Comparative Study of Funding Mechanisms in Ten Countries', Zoetermeer: Ministerie van Onderwijs, cultuur en Wetenschappen

Kennedy, D. (2001) 'Enclosing the Research Commons', *Science* 294(5550): 2249

Liu, Y. (2006) 'Determinants of Private Giving to Public Colleges and Universities', *International Journal of Educational Advancement*, 6(2): 119-40

Liu, Y. (2007) Institutional Characteristics and Environmental Factors that Influence Private Giving to Public Colleges and Universities: A Longitudinal Analysis (Dissertation Submitted to the Faculty of the Graduate School of Vanderbilt University) available at: <http://etd.library.vanderbilt.edu/ETD-db/available/etd-03282007-175455/unrestricted/dissertation.pdf>

Masso, J. and Ukrainski K. (2009) 'Competition for Public Project Funding in a Small Research System: The Case of Estonia', *Science and Public Policy*, 36(9): 683-95

Merton, R. K. (1968) 'The Matthew Effect in Science', *Science*, 159(3810): 56-63

Okunade, A. and Berl, R. L. (1997) 'Determinants of Charitable Giving of Alumni: Microdata Evidence from a Large Public University', *American Journal of Economics and Sociology*, 53: 73-84

Slaughter, S. and Leslie, L. L. (1997) *Academic Capitalism: Politics, Policies, and the Entrepreneurial University*, Baltimore: John Hopkins University Press

Smith, C. L. and Ehrenberb, R. G. (2003) 'Sources and Uses of Annual Giving in Private Research Universities', *New Directions for Institutional Research*, 119: 69-79

Teixeira, P. Jongbloed, B. Dill, D. Amaral, A. (eds) (2004) *Markets in Higher Education: Rhetoric or Reality?*, Dordrecht: Kluwer Academic Publishers

Woods, J. L. (1987) *Factors Associated with Gift Income in Public Research and Doctoral Granting Institutions*, PhD Dissertation, Washington State University, Washington

Wunnava, P. V. and Lauze, M. A. (2001) 'Alumni Giving at a Small Liberal Arts College: Evidence from consistent and occasional donors', *Economics of Education Review*, 20: 533-43



European Commission

**EUR 24725 – Giving in evidence: Fundraising from philanthropy in European universities**

Luxembourg: Publications Office of the European Union

2011 — 184 pp. — B5, 17,6 x 25 cm

ISBN 978-92-79-18784-1

doi 10.2777/4143



## How to obtain EU publications

### Free publications:

- via EU Bookshop (<http://bookshop.europa.eu>);
- at the European Union's representations or delegations. You can obtain their contact details on the Internet (<http://ec.europa.eu>) or by sending a fax to +352 2929-42758.

### Priced publications:

- via EU Bookshop (<http://bookshop.europa.eu>);

### Priced subscriptions (e.g. annual series of the Official Journal of the European Union and reports of cases before the Court of Justice of the European Union):

- via one of the sales agents of the Publications Office of the European Union ([http://publications.europa.eu/others/agents/index\\_en.htm](http://publications.europa.eu/others/agents/index_en.htm)).

This report presents the results of the first large-scale study of philanthropic funding in European universities in general, and specifically in support of research. It covers individual donors, charitable trusts and foundations and private corporations, analysing the wide range of contextual and institutional factors affecting success and failure in fundraising from philanthropic sources, the distribution of efforts and outcomes of fundraising activities, ways in which philanthropic contributions are used to support research, and the positive and negative impacts of receiving this source of funding. The wealth of data gathered through this study provides a much-needed basis for any future enquiries in the field of fundraising from philanthropy for research in European universities.